PAN-JAMAICAN INVESTMENT TRUST LIMITED

2015

The Pan Jam group is a major contributor to Jamaica's economy, investing in a wide variety of businesses in the financial services, real estate, food and beverage, and tourism and hospitality sectors.

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Financial Highlights

PER STOCK UNIT

Net earnings

12%

up by $1.64

Net worth

3%

up by $2.87m

Dividend

8%

up by $0.20

TOTAL

Net profit attributable
to owners of the parent

$3.2b

up by $343m

Stockholders' equity

$21.8b

up by $629m

10-Year Statistical Review

	2015	2014	2013	2012
SELECTED FINANCIAL DATA ($'000)				
Stockholders' equity (net worth)	21,763,118	21,134,493	17,840,566	16,424,856
Total assets	27,954,161	26,413,492	23,310,321	21,467,506
Net profit attributable to equity holders	3,186,141	2,842,755	2,491,106	2,086,930
Dividends paid	607,711	565,065	437,126	437,126
Retained earnings	14,541,916	12,106,496	9,717,955	7,968,949
FINANCIAL RATIOS				
Net worth per stock unit	$103.68	$100.81	$85.31	$77.08
Earnings per stock unit (basic)	$15.19	$13.55	$11.74	$9.79
Price earnings ratio	6.2	4.4	4.6	5.9
Dividends per stock unit	$2.85	$2.65	$2.05	$2.05
Dividend payout ratio (%)	18.8%	19.6%	17.5%	20.9%
Weighted average number of stock units	209,788	209,821	212,213	213,102
Return on average equity (%)	14.9%	14.6%	14.5%	13.4%
Return on opening equity	15.1%	15.9%	15.2%	14.3%
Change in stockholders equity	3.0%	18.5%	8.6%	12.3%
Debt to equity ratio	23.9%	20.8%	25.5%	25.7%
OTHER DATA				
Stock price at year end ($)	$94.00	$58.96	$54.00	$57.50
Price change from last year (%)	59.4%	9.2%	-6.1%	-4.2%
JSE market index at year end	150,692	76,353	80,634	92,101
Change in JSE Index (%)	97.4%	-5.3%	-12.5%	-3.4%
Exchange rate J$: US$	$120.03	$114.39	$105.72	$92.15
Annual Inflation rate (%)	3.7%	6.4%	9.7%	8.0%

2011	2010	2009	2008	2007	2006
14,625,583	10,616,871	8,933,605	7,430,746	7,095,698	6,991,015
15,924,714	15,150,894	12,923,242	11,118,756	10,592,615	10,528,927
1,758,990	1,244,498	1,395,677	1,142,247	991,109	822,592
302,971	249,891	236,008	173,536	806,938	164,865
6,492,920	5,274,449	4,525,910	3,586,705	2,862,865	4,195,662
$68.63	$61.98	$52.15	$43.38	$41.42	$40.81
$9.37	$7.27	$8.15	$6.67	$5.79	$4.80
6.4	6.5	4.3	3.7	8.6	11.8
$1.54	$1.44	$1.36	$1.00	$4.65	$0.95
16.4%	20.1%	16.9%	15.2%	81.4%	20.0%
187,704	171,299	171,299	171,299	171,299	171,299
13.9%	12.7%	17.1%	15.7%	14.1%	12.6%
16.6%	13.9%	18.8%	16.1%	14.2%	13.5%
37.8%	18.8%	20.2%	4.7%	1.5%	14.6%
3.8%	15.1%	2.8%	6.8%	5.9%	8.4%
$60.01	$47.00	$34.70	$24.98	$49.50	$56.50
27.7%	35.4%	38.9%	-49.5%	-12.4%	2.7%
95,297	85,221	83,322	80,152	107,968	100,678
11.8%	2.3%	4.0%	-25.8%	7.2%	-1.7%
$86.14	$85.34	$89.06	$79.96	$70.18	$66.92
6.1%	11.7%	10.2%	16.8%	16.8%	5.8%

Notice of Annual General Meeting

Notice is hereby given that the Fifty Second Annual General Meeting of Pan-Jamaican Investment Trust Limited will be held at The Courtyard by Marriott, 1 Park Close, Kingston 5 on Thursday 26 May 2016 at 3:00 p.m. for the following purposes:

1. To receive the Audited Financial Statements for the year ended 31 December 2015, and the Reports of the Directors and Auditors thereon.

To consider and (if thought fit) pass the following Resolution:

"THAT the Audited Accounts for the year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon be and are hereby adopted."

2. To approve the Dividend paid as final

To declare the interim dividends of $2.85 paid during the year, as final dividend for the year ended 31 December 2015.

To consider and (if thought fit) pass the following Resolution:

"THAT the interim dividends of 70 cents paid 31 March 2015, 70 cents paid 19 June 2015, 70 cents paid 18 September 2015, and 75 cents paid 16 December 2015, making a total of $2.85 be declared as final dividend for the year ended 31 December 2015."

3. To elect Directors

(i) The Directors retiring by rotation pursuant to Article 89 of the Articles of Incorporation are Mr. Richard O. Byles and Mrs. Kathleen A. J. Moss., who being eligible offer themselves for re-election.

To consider and (if thought fit) pass the following Resolutions:

(a) "THAT the retiring Director Mr. Richard O. Byles be re-elected a Director of the Company."

(b) "THAT the retiring Director Mrs. Kathleen A. J. Moss be re-elected a Director of the Company."

4. To confirm the remuneration of the Non-Executive Directors.

To consider and (if thought fit) pass the following Resolution:

"THAT the amount of $12,955,000 shown in the Accounts for the year ended 31 December 2015 for Non-Executive Directors' fees be and is hereby approved."

5. To fix the remuneration of the Auditors or to determine the manner in which such remuneration is to be fixed.

To consider and (if thought fit) pass the following Resolution:

"THAT the remuneration of the Auditors, PricewaterhouseCoopers, who have signified their willingness to continue in office, be fixed by the Directors."

6. Special Business – Resolution for the Sub-Division of Shares

To consider and (if thought fit) pass the following Ordinary Resolution:

"THAT each of the 250,000,000 ordinary shares in the capital of the company be subdivided in 5 ordinary shares each thereby making a total share capital of 1,250,000,000 ordinary shares of no par value at the existing total stated capital of $2,141,985,000 with effect from the close of business on the 31 May 2016."

By order of the Board,

Gene M. Douglas
Secretary
Kingston, Jamaica
21 March 2016

A member entitled to attend and vote at the above-mentioned meeting is entitled to appoint one or more proxies to attend and on a poll to vote instead of him. Such proxy must be lodged at the Company's Registered Office not less than forty-eight hours before the meeting. A proxy need not be a member. A suitable form of proxy is enclosed.

PLEASE complete and submit to:
The Registrar, Sagicor Bank, Group Legal Trust & Corporate Services, Ground Floor, 28-48 Barbados Avenue, Kingston 5.

Report of the Directors

The Directors herewith submit their Report and the Audited Financial Statements for the year ended 31 December 2015.

	$'000
The Group profit before taxation was	3,304,507
Taxation amounted to	(50,614)
Making group profit after taxation	3,253,893
The share of minority interest in the results of subsidiaries was	67,752
Making the profit attributable to stockholders	3,186,141
To be added to retained earnings brought forward from last year	12,106,496
Making a total of	15,292,637
Dividends paid amounted to	(597,943)
and there were adjustments to retained earnings in respect	
of transfer to property revaluation reserves	(208,995)
post-employment benefit obligations, net of taxation	56,217
Leaving retained earnings to be carried forward to the next year of	14,541,916

Dividends

The Directors have recommended that the interim dividends paid to stockholders on 31 March 2015, 19 June 2015, 18 September 2015 and 16 December 2015 be declared as final dividend for the year ended 31 December 2015.

Directors

The Directors retiring by rotation pursuant to Article 89 of the Articles of Incorporation are Mr. Richard O. Byles and Mrs. Kathleen A. J. Moss who being eligible offer themselves for re-election.

At the end of December 2015, the Board of Directors comprised:

Stephen B. Facey, M. Arch.
Chairman & Chief Executive Officer

Christopher N. Barnes, BSc., MBA.

Paul A. B. Facey, MBA.

Richard O. Byles, MSc.

Paul R. Hanworth, MA., ACA., CPA.

Donovan H. Perkins, MBA.

Kathleen A. J. Moss, BSc., MBA., CBV.

T. Matthew W. Pragnell, BA.

Ian S. C. Parsard, MBA. (Hons.), ACCA.

Auditors

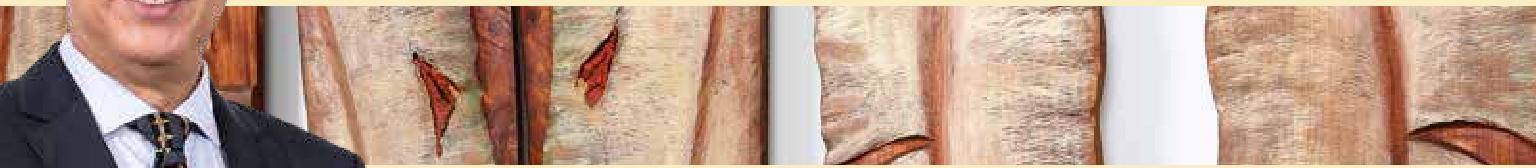
PricewaterhouseCoopers have expressed their willingness to continue in office in accordance with Sections 153 and 154 of the Companies Act.

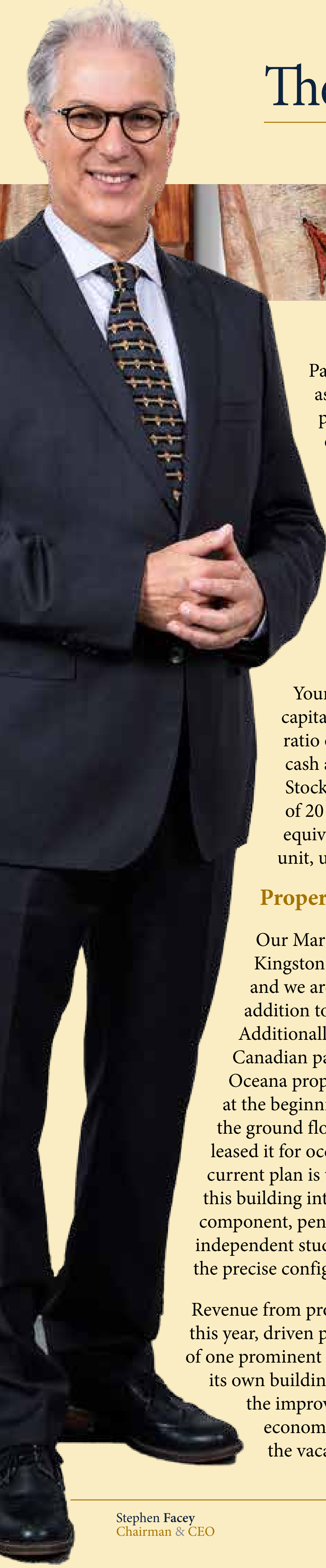
On behalf of the Board

Gene M. Douglas
Secretary

Kingston, Jamaica
21 March 2016

The Chairman & COO Statement





Pan-Jam and its subsidiaries, associates and joint ventures performed well in 2015, earning net profit for shareholders of $3.2 billion, up 12% from $2.8 billion in the prior year. Earnings per stock unit increased to $15.19 from $13.55, from which dividends of $2.85 per unit were paid, an 8% increase over the $2.65 paid in 2014.

Your company remains strongly capitalised, with a debt to equity ratio of 24% and a portfolio of cash and securities of $3.1 billion. Stockholders' equity at the end of 2015 stood at $21.8 billion, equivalent to $103.68 per stock unit, up 3% over 2014.

Property Operations

Our Marriott Courtyard hotel in New Kingston opened in December 2015, and we are very pleased with this new addition to the Kingston hotel scene. Additionally, in conjunction with a Canadian partner we acquired the former Oceana property in downtown Kingston at the beginning of 2015. Renovation of the ground floor is complete, and we have leased it for occupancy in mid-2016. Our current plan is to develop the remainder of this building into a hotel with a residential component, pending the results of an independent study which will help guide us to the precise configuration.

Revenue from property rental declined 4% this year, driven primarily by the departure of one prominent tenant which acquired its own building. However, in line with the improving outlook for the local economy, we are hopeful of leasing the vacant space in 2016.

Investments and Associated Companies

Our results from investment operations in 2015 reflected the difficult market conditions in many sectors, especially in emerging market bonds and the energy sector. Against this we monetized two real estate investments in Canada which delivered gains of $98 million in the year.

Our associated companies have again delivered strong results in 2015, vindicating our strategy of deploying increasing levels of capital to well managed local and regional companies. Results of our associated companies were dominated by Sagicor Group Jamaica Limited (Sagicor), which reported net earnings attributable to equity owners of $9.8 billion in 2015, well above the prior year level of $8.5 billion. Revenues were up 21% and all business segments grew profits compared to the prior year.

Our food business, New Castle Company Limited, grew revenue 18% on the back of improved US distribution of its Walkerswood, Busha Browne and Jamaica Joe brands. We look forward to further strengthening our presence in North America in 2016, although two years of drought have hurt production, and cost, of key ingredients such as scotch bonnet pepper.

Our joint venture company Mavis Bank Coffee's revenues improved 35% over 2014, driven by improvements in export green bean sales and execution of local roasted coffee through our True Brew and Caribbean Blend brands. A significant driver of success this year was the increase in support given to farmers from whom we buy coffee, and they have enjoyed better pricing for their cherries as well as extension services, advances of fertilizer and seedlings and other inputs.

Chukka Caribbean Adventures also delivered solid growth in sales and profitability. Chukka continues to operate in Jamaica, Belize and Turks & Caicos and expects to deliver further growth in all three countries in 2016, on the back of improved cruise ship passenger sales. We view Cuba as presenting a considerable opportunity both directly and

Stephen Facey
Chairman & CEO

indirectly, as cruise shipping lines will be anxious to take advantage of this new destination while including neighboring islands such as Jamaica.

As we went to press we received payment for our shareholding in Hardware & Lumber Limited, thereby closing the book on our association with this prominent Jamaican company which stretches back to 1969.

Outlook

We have been very active in 2015 in hotel development with our involvement in the new Marriott Courtyard hotel in New Kingston, our joint venture in the acquisition and refurbishment of the former Oceana hotel property on the Kingston waterfront, and a small participation in an office conversion to a Starwood-branded hotel near the Miami International airport. We will continue to look for additional hotel opportunities both in Jamaica and regionally, although specifically excluding the all-inclusive tourist sector which is well served in the region.

Additionally, we have been actively participating in the Kingston-based "Angel" investor group and in the venture capital initiative led by the Development Bank of Jamaica (DBJ). We believe that it is very important for local growth companies to have access to this type of funding which has been so lacking in Jamaica, a key ingredient for entrepreneurs and one which we believe will encourage more bright young people to remain in Jamaica, thereby helping to drive the economic growth for which we all so fervently hope.

We continue to seek additional investments in well managed local and regional companies seeking equity investment, particularly those where we see strong potential for growth, hard currency earnings, steady cash returns and relatively low susceptibility to economic fluctuations.

We were extremely pleased with the Government of Jamaica's continued success with the IMF in 2015. We continue to view the country's economic prospects positively and hope that, as the current IMF programme winds down, our new Government will continue to work with the IMF to validate the twin promises of positive economic development and growth within a fiscally responsible framework.

Pan-Jam continues its strong commitment to the community, and we focus in the areas of education, the arts and the environment. The company and its staff are inspired by the opportunity to make a difference through the contribution of time and resources. Our activities in 2015 are set out in a separate section in this report. In addition to the many organisations and initiatives supported through our Foundation, our longstanding interest in the development of the urban environment continues by way of our participation in and support of the New Kingston Civic Association and the Kingston Restoration Company.

We thank all of our employees, and those of our joint ventures and associated companies. Every single one has contributed to our strong results in 2015. We also thank our board and management for their counsel, leadership and engagement during the year, and we look forward to a 2016 that we believe is full of promise for both the Pan-Jam group and the nation.

Stephen Facey
Chairman & CEO

Paul Hanworth
COO

Paul Hanworth
COO

Driving entrepreneurship, opportunity and economic growth

For over 50 years Pan Jam has developed and managed real estate, and provided growth capital to a wide variety of businesses. We have also invested in other markets where the opportunity to grow our capital in accordance with our investment philosophy has presented itself, and where there is a Jamaican connection in people or product.

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Management Discussion & Analysis

Stephen Phillibert
CFO

Company Overview

Pan-Jamaican Investment Trust Limited (Pan-Jam) is an investment holding company listed on the Jamaica Stock Exchange. Through its subsidiaries it provides property management services in Jamaica, including rental, management and development of commercial real estate properties, and captive insurance. It also engages in investments for its own account both through actively-managed positions in Caribbean, principally Jamaican, public and private companies and through securities trading, principally in equities and fixed income securities.

The company's portfolio of associated and joint venture companies engage in life and health insurance, pension fund administration and investment management, commercial and investment banking and asset management; consumer product processing and distribution (including coffee and various lines of sauces and condiments); hotel ownership and operation; real estate development; tour and attractions operations; and retailing and distribution of hardware, lumber and agricultural supplies.

However, this latter item is undertaken by Hardware & Lumber Limited ("H&L"), a company listed on the Jamaica Stock Exchange ("JSE"). At the end of 2015, the majority stake in H&L was acquired, and, pursuant to JSE rules, an offer was made to other shareholders for the purchase of their shares. Pan-Jam has accepted this offer and will therefore soon be divested of this holding.

Pan-Jam's associated company, Caribe Hospitality of Jamaica Limited, which developed a 130-room Courtyard Marriott Hotel in New Kingston, commenced operation of the hotel during December 2015. The hotel is managed by Marriott.

In early 2015, Pan-Jam, through wholly-owned subsidiary, Jamaica Property Company Limited, along with a Canada-based partner, completed the purchase of the Oceana building on the Kingston waterfront and secured a long-term lease for the adjacent parking garage. Development of these properties will be ongoing throughout 2016 and 2017.

Financial Perfomance Highlights

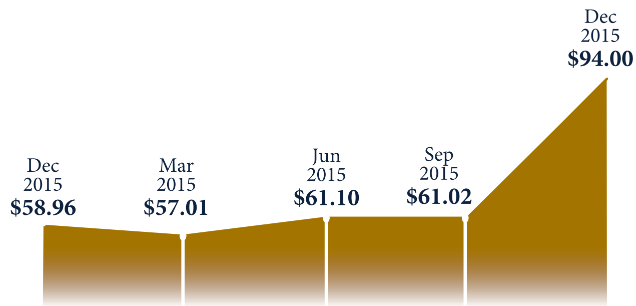
Performance indicators	2015	2014	Change
Net Profit attributable to owners of the parent ($m)	3,186	2,843	↑12%
Earnings per stock unit	$15.19	$13.55	↑12%
Return on average equity	15%	15%	-
Return on opening equity	15%	16%	↓6%
Leverage	24%	21%	↑14%
Return on average investment	7%	9%	↓22%
Return on average property value (gross)	29%	32%	↓9%
Return on average property value (net of direct expenses)	18%	19%	↓5%

Financial Perfomance Highlights (continued)

Performance indicators	2015	2014	Change
Property occupancy level	83%	96%	↓ 14%
Book value per stock unit	$103.68	$100.81	↑ 3%
Dividend per stock unit	$2.85	$2.65	↑ 8%
Total assets ($m)	27,954	26,413	↑ 6%
Stockholders' equity ($m)	21,763	21,134	↑ 3%
Closing Stock price (bid, J$)	$94.00	$58.96	↑ 59%
Closing exchange rate (v. US$)	$120.03	$114.39	↓ 5%

Stock price ($)

The company's stock price closed the year having appreciated by 59% (to $94.00) over 2014 ($58.96), with most of the increase coming in the final quarter of the year. Dividends of $2.85 per stock unit were paid to stockholders for the year, 8% higher than in 2014.

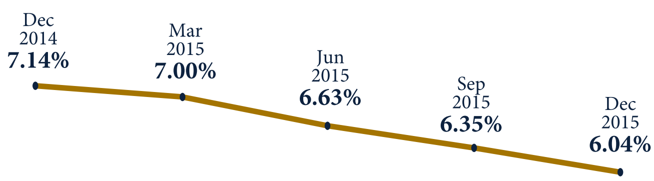


Stock Prices

Economic Overview

During 2015, the Government of Jamaica (GOJ) successfully met all targets set out under the country's facility with the International Monetary Fund (IMF). The national debt, having peaked at 146% of Gross Domestic Product (GDP), has declined to approximately 120%, and is expected to continue to improve.

6-month Treasury Bill rates opened 2015 by fluctuating around their 2014 year-end level of 7.14% during January and February. However, a steady decline began in March and continued throughout the remainder of the year, reaching a December 2015 low of 6.04%. Commercial borrowing rates on bank loans trended downwards to 12.79% at September 2015, a reduction of 1.1% compared to 12.93% at December 2014.



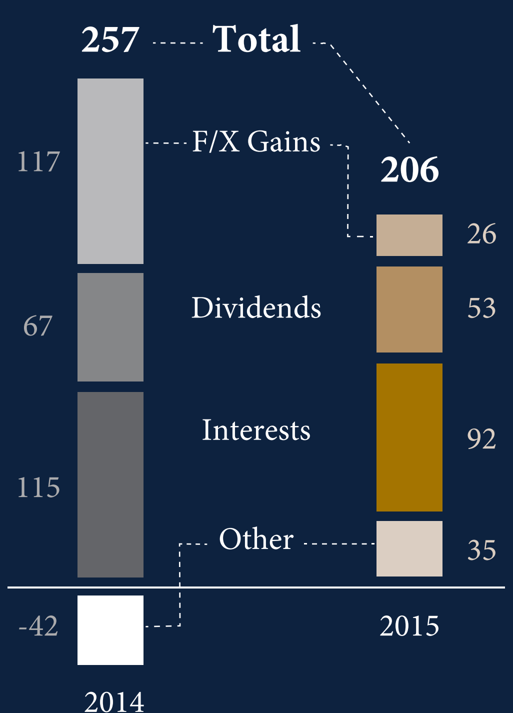
Six-months Treasury Bill Rates

The J$ depreciated during 2015 by 5%, closing the year at J$120.03 (2014 – J$114.39) to US$1:00 (average of BOJ buying and selling rates). The Net International Reserves (NIR) increased 23% during 2015 through October, moving from US$2,002 million to US$2,454 million.

As Jamaica continued to achieve its targets under the IMF programme, business and consumer confidence continued to improve during 2015, reaching the highest levels seen in 15 years. The level of inflation in the cost of goods

J$ vs US$ Exchange Rate Movement

JSE Main Index



Investment Income

and services slowed during 2015, chiefly driven by falling global oil prices. For the 2015 calendar year, inflation was 3.7% compared to 6.4% for 2014, a decrease of 42%. The October 2015 unemployment rate decreased by 5% to 13.5% (2014 – 14.2%).

The Jamaica Stock Exchange (JSE) main index rose during the year accelerating particularly in the fourth quarter. From January through September, the index advanced 26% from 76,353 to 96,325. It then rose a further 56% by the end of December 2015.

Net remittances for the calendar year through November grew by 3.4% in 2015, totaling US$1,804.7 million for the year compared to US$1,745.6 for 2014. For the December 2015 quarter, GDP improved 1.5% on the comparative prior year period, driven by 3.9% improvement in goods producing industries and 0.7% improvement in services industries.

Group Results

Profit attributable to equity holders increased by $343 million, or 12% to $3,186 million (2014 - $2,843 million), while earnings per stock unit improved to $15.19 (2014 - $13.55). Operating profit of $574 million reflected a 24% decrease (2014 - $758 million), due to declines of $51 million and $68 million in investment and property income respectively as well as an $87 million increase in operating expenses. Improvement in the share of results of associated and joint venture companies of $533 million, or 20%, to $3,226 million (2014 - $2,693), as well as reduced finance costs of $496 million (2014 - $507 million) more than compensated for the operating profit decline, resulting in the overall increase in net profit.

Total income decreased by 5% to $1,842 million (2014 - $1,939 million) driven by the reduction in property and investment income. Operating expenses of $1,268 million (2014 - $1,181 million) grew 7%, outpacing inflation chiefly due to additional staff cost arising from a one-time improvement in the terms of the Pan-Jam pension plan. Direct expenses were down by 14% to $562 million (2014 - $651 million), reflecting decreased utility costs, whereas administrative expenses increased by 33% to $705 million (2014 - $530 million), driven mainly by the staff costs as outlined above as well as expenses related to the recognition of Pan-Jam's 50th anniversary. Finance costs, which include foreign exchange losses on loans denominated in US$, decreased to $496 million (2014 - $507 million) as both the rate of currency devaluation and US$ denominated loan balances declined.

Other Comprehensive Income

Total comprehensive income for 2015 was $1,256 million versus $3,704 million for 2014. The 2015 figure includes a negative share of other comprehensive income of associated companies of $2,005 million. This is mainly due to unrealized fair value losses on available-for-sale securities held by our associated company, Sagicor Group Jamaica Limited ("Sagicor"), arising in the latter half of 2015. These reflected volatility in global bond prices driven by weaknesses in certain key economies and in commodity prices.

Investment Income

Investment income decreased by $51 million, or 20% year on year to $206 million (2014 - $257 million). Slower Jamaican dollar devaluation (5%) relative to the prior year (7%) and the discontinuation of hedge accounting related to US$ denominated loans which were repaid during 2015 resulted in recorded foreign exchange translation gains of $26 million compared to $117 million last year, a decrease of $91 million. The reduced gains still served to broadly offset the majority of the foreign exchange losses of $47 million suffered on our US$-denominated debt. A $23 million reduction in interest income and a $14 million reduction in dividend income, set off against lower impairment charges on available-for-sale securities of $39 million (compared to $69 million during the prior year), and higher realised gains of $127 million (up from $83 million in 2014) were the other significant contributors to the decline in investment income. At the end of 2015 the equity portfolio was $1,234 million (2014 - $1,302 million).

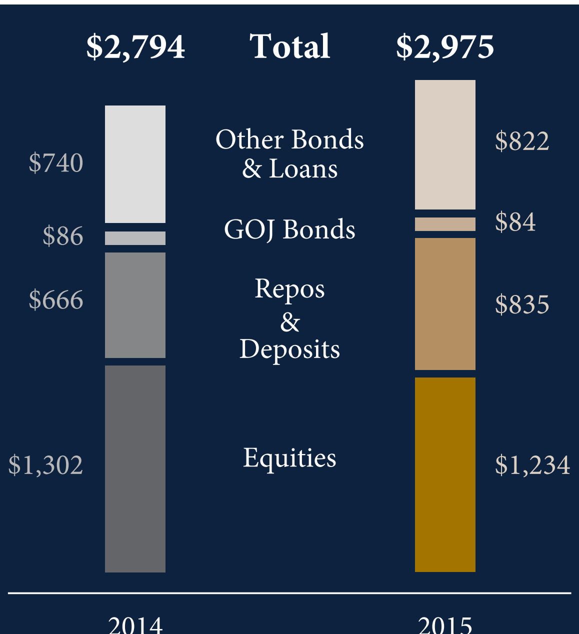
Investment Assets

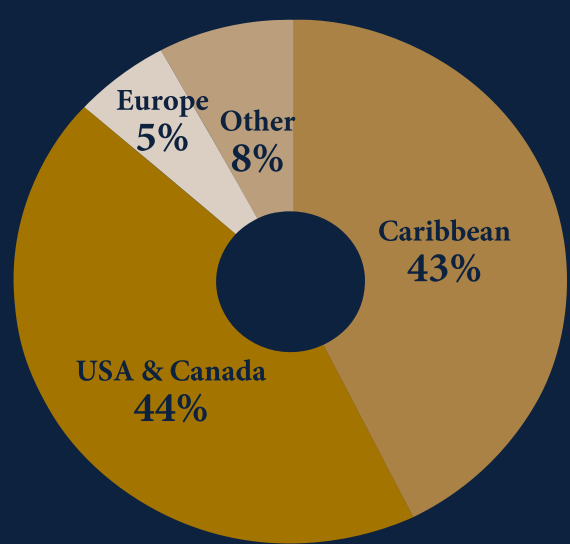
Investment assets as at 31 December 2015 stood at $2,975 million (2014 - $ 2,794 million). The portfolio mix for 2015 reflected a reduction in equity holdings, from 47% to 41% of the total portfolio, and an increase in repos and deposits, to 28% from 24%. The return on average investment reduced by 22% to 7% (2014 – 9%). The equity portfolio is diverse, with investments in North and South America and Caribbean markets across a broad range of industries. The group continues to maintain a high level of its investment assets in foreign currency, mainly US$. At year-end 84% of investment assets were denominated in foreign currency, similar to the 85% at year-end 2014, principally to hedge against the depreciation of the J$ to the US$. At the end of 2015 liabilities denominated in foreign currency were 10% (2014 – 70%) of assets denominated in foreign currency.

Property Income

Property income decreased $68 million, 4%, to $1,483 million (2014 - $1,551 million), driven by a 7% reduction in rental income to $1,254 million, offsetting increased property revaluation gains of $229 million versus last year's $202 million. Our property segment continued to enjoy healthy overall occupancy levels of 83%, and made a contribution to group operating profit of $568 million compared to last year's level of $697 million.

Direct property expenses totaled $562 million, a decrease of 14% over the 2014 level of $651 million. The reduction was driven mainly by the impact of lower global oil prices, positively impacting related line items including electricity, water and chilled water.





Investment Assets ($m)

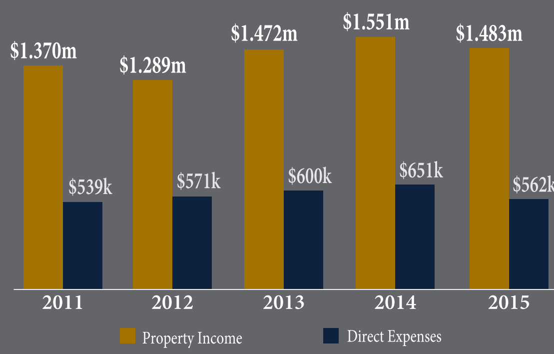
Property values were up by 6% with carrying value at year-end of $5,194 million (2014 - $4,913 million). Return on average property value (property income net of direct expenses divided by average property values) was 18%, reduced from 19% the prior year.

Quarterly Results

In 2015, net profit attributable to equity holders improved every quarter compared to 2014.

The company continued to pay quarterly dividends, paying a total of $2.85 per stock unit compared to $2.65 per stock unit for the year in 2014 an 8% increase.

Property income ($m)	2015	2014	Variance (%)
Rental	1,254	1,349	-7%
Fair value gains	229	202	13%
Total	**1,483**	**1,551**	**-4%**

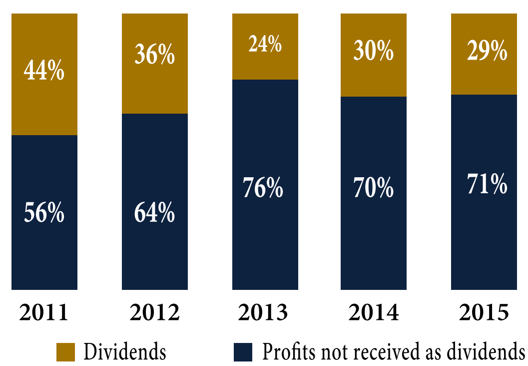


Quarterly Results

SUMMARY OF QUARTERLY RESULTS	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2014 Q1	2014 Q2	2014 Q3	2014 Q4
Operating Income ($m)	488	528	351	475	537	544	466	392
Operating expenses ($m)	260	305	283	420	264	273	297	347
Share of results in associated and joint venture companies ($m)	443	791	672	1,320	314	598	426	1,355
Net profit attributable to owners of the parent ($m)	542	853	534	1,257	399	688	457	1,299
Earnings per share ($)	2.59	4.07	2.55	5.98	1.90	3.28	2.18	6.19
Return on opening equity, annualised (%) (cumulative)	10%	13%	12%	15%	9%	12%	9%	16%
Dividends paid ($)	149	149	149	160	128	128	149	160
Total assets ($)	26,499	27,368	26,602	27,954	23,539	25,106	25,195	26,413
Stockholders' equity ($)	21,366	21,966	20,545	21,763	18,338	19,416	19,522	21,134
Closing share price (bid price) ($)	57.01	61.10	61.02	94.00	49.05	49.00	55.00	58.96

Associated and Joint Venture Companies

Share of results from associated and joint venture companies continues to grow year on year. The share of results of associated and joint venture companies was up by 20% to $3,226 million (2014 - $2,693 million). The 2015 year end carrying value of our investments in associated and joint venture companies of $18,022 million (2014 – $17,166 million) increased 5%, while our return on carrying value improved to 18% (2014 – 16%). Dividends received increased by 17%, $944 million compared to $808 million in 2014, representing 29% (2014 - 30%) of our share of results. The increase in dividends was driven primarily by Sagicor.



Profits and Dividends

Company	2015		2014			
$million	Share of of net profit	Dividends received	Share of net profit	Dividends received	Change share of profit	Change in dividends
Sagicor	3,054	900	2,663	777	↑ 15%	↑ 16%
H&L	34	18	45	5	↓ 24%	↑ 260%
New Castle	61	12	13	12	↑ 369%	-
Chukka	48	14	25	14	↑ 92%	-
Caribe	(11)	-	(13)	-	n/a	-
Mavis Bank	48	-	(40)	-	n/a	-
Other	(8)	-	-	-	n/a	-
Total	**3,226**	**944**	**2,693**	**808**	**↑ 20%**	**↑ 57%**

Our share of results of associated and joint venture companies increased by $533 million, or 20%, to $3,226 million, compared to the 2014 amount of $2,693 million.

Sagicor's net profit attributable to shareholders was $9,793 million, representing a 21% return on average equity and an increase of 15% over the prior year. Sagicor's results were driven by strong banking and insurance perforance and good growth in all business areas as well as the release of reserves resulting from changes to tax rules for life insurance companies.

H&L reported a profit of $164 million compared to $217 million a year ago, driven principally by an increase in operating expenses and a reduction in other income. At the end of 2015 the majority interest in H&L was purchased at a price of $18.50 per share and in accordance with Jamaica Stock Exchange rules, an offer was made in January of 2016 by the purchaser to all other shareholders. Pan-Jam has accepted this offer.

Chukka Caribbean Adventures Limited is the regional leader in adventure tours, and currently has operations in 3 countries. Our share of results, while generally modest since making the investment, improved to $48 million in 2015, versus $25 million in the prior year. We regard this as supportive of our belief that the prospects of the business are attractive.

Our share of results from our 50% investment in Mavis Bank, the country's premier processor and seller of Jamaica Blue Mountain coffee was income of $48 million, compared to a loss of $40 million in 2014. The current year performance was positively affected by strong prices in international markets and an increased share of the crop. Adequate supply, however, remains a concern for the industry.

New Castle had an improved year operationally in 2015, and also benefited from the stronger performance of Mavis Bank, with our share of results amounting to $61 million ($13 million in 2014). New Castle continues to expand its exportation and distribution of the Walkerswood, Busha Browne and Jamaica Joe lines of sauces and seasonings, principally as a result of new distribution arrangements in the USA.

Our Courtyard Marriott commenced operations in December 2015, while through our joint venture Kingchurch Property Holdings we continue development of the former Oceana property.

Borrowings

During the year, the group received new financing totaling $3,344 million and repaid $3,085 million of principal and interest. Finance costs for the year were $496 million (2014 - $507 million), including $47 million (2014 - $132 million) of foreign exchange loss on our US$-denominated debt. The 17% increase in interest expense (from $373 million to $435 million) was the summary effect of higher principal balances on the one hand and replacement of US$ denominated debt with J$ denominated debt, which carries higher nominal interest rates but no exposure to foreign exchange expense. Loans denominated in US$ were 2% (2014 – 37%) of loan liabilities of $5,181 million (2014 - $4,425 million).

Financial Position

At 31 December 2015 total assets stood at $27,954 million (2014 – $26,413 million), an increase of 6%, chiefly as a result of increased investments in associated companies, joint ventures and properties.

Stockholders' equity continues a growth trend that has been consistent over the long term with a compound growth rate of 10% from 2011 to 2015. However year over year growth in stockholders' equity slowed to 3% (from $21,134 million to $21,763 million). The growth rate was adversely impacted by a decline in investment and other reserves arising from unrealized fair value losses in Sagicor's available-for-sale securities portfolio that flowed through other comprehensive income. A total of $598 million (2014 - $556 million, 8% increase), was paid out to stockholders in dividends, representing approximately 62% of core cash earnings net of interest paid, an equivalent percentage compared to 2014. Book value per stock unit at year end was $103.68 (2014 - $100.81) per stock unit. Market capitalization increased by 59% over prior year as the company's stock price appreciated by that same level year on year.

Risk Management

The group is exposed to a variety of risks, both internal and external. Effective management of these risks is necessary to ensure the continued success of the group. While the company's Board of Directors has the overall responsibility for risk management, this responsibility is also shared by the executive and management team, and internal policies and procedures are designed to mitigate the possibility of loss from certain operational risks.

Appropriate insurance coverage is one way of mitigating the risk of loss from disruption to business activities, as a result of natural disasters, accidents or equipment/ system failure. Annual reviews are carried out, by members of the executive and management team, to assess the adequacy of coverage and adjustments are made where necessary to ensure any exposure is kept at an acceptable level. The company has in place a disaster recovery plan as well as twenty-four hours on site trained personnel who serve as the primary response to any accidents to or in our buildings. Regular exercises are undertaken to sensitise tenants to our health and safety management policies.

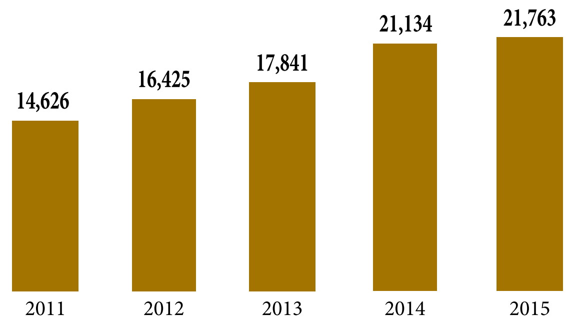
Understanding and being able to react quickly to external risks, such as economic conditions or changes in the environment, is imperative to ensure that the financial health of the organisation is maintained. An important part of the assessment process is the review of the total asset mix, and the impact of changes in the economy on the returns from these assets. As a result of risk assessment, over the past few years the company has begun implementing a strategy to increase investments in private equity and reduce its reliance on a portfolio of marketable securities. This strategy is designed to ensure a diversified income stream and to support long term growth.

The group is exposed to financial risks in its securities portfolio, namely market risk, credit risk and liquidity risk. The group is also exposed to credit risk in its property rental segment.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise

Loan Liabilities ($m)

	2015	2014
US$	117	1,656
J$	5,064	2,769
Total	**5,181**	**4,425**



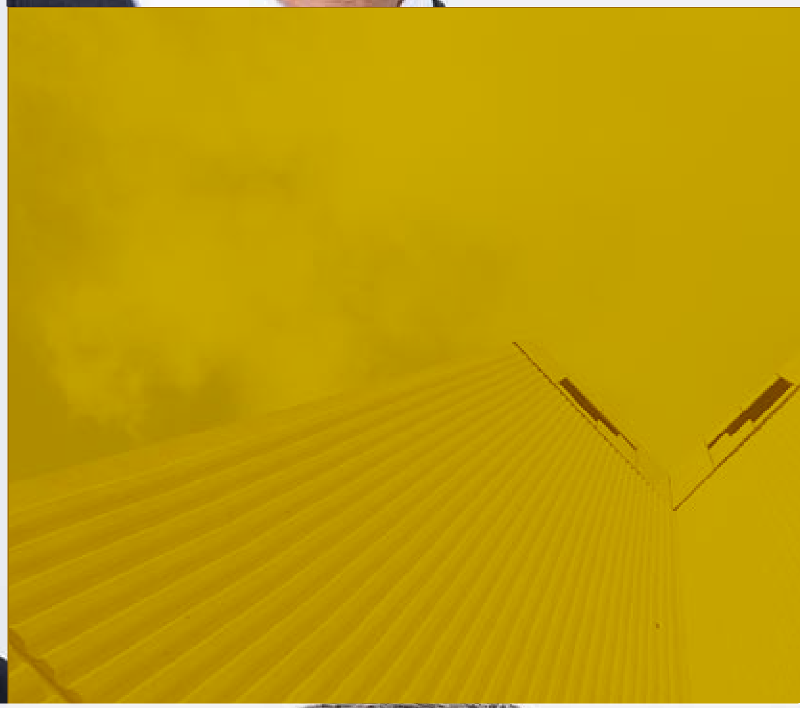
Stockholders' Equity ($millions)

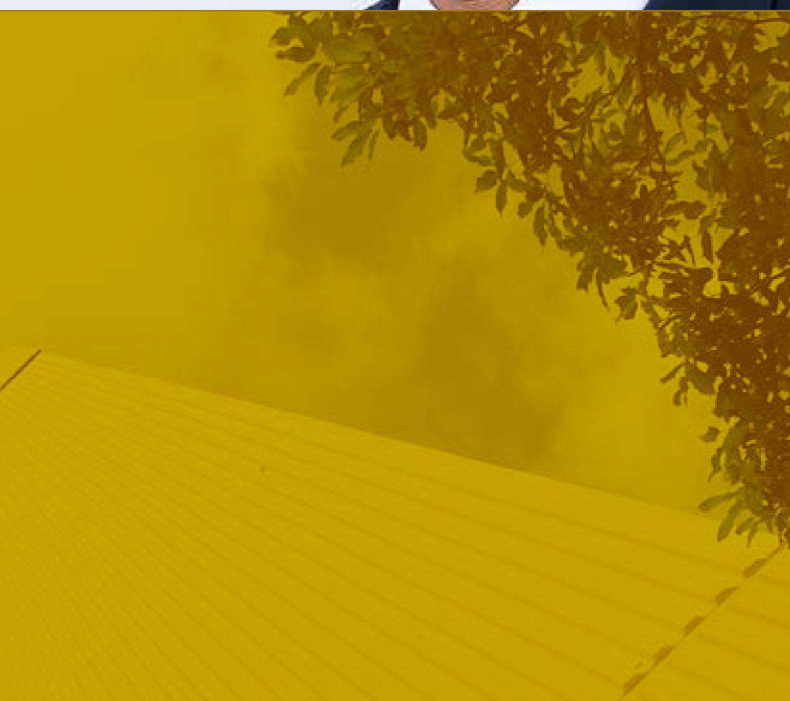
from changes in foreign currency exchange rates, interest rates, political risk and economic risk. To mitigate these risks, under the direction of the Investment Committee, the treasury team ensures that there is a diversified mix of assets in the portfolio, with at least 70% of the portfolio held in foreign currency. Where possible, the team will also endeavour to maintain a mix of variable and fixed rate interest bearing instruments.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The treasury team reviews research and credit information on companies and governments before deciding to invest in their debt securities, and will choose sound financial institutions through which to make these investments, to reduce the exposure to credit risk. The group manages its credit risk from property rental by screening its customers, establishing credit limits, obtaining bankers' guarantees or collateral for loans where applicable and the rigorous follow-up of receivables.

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Through a system of regular cash forecasting, the treasury team is kept aware of financial obligations and maintains the maturity profile of investments to ensure adequate liquid assets are available, as required.





Board of Directors

Stephen B. Facey, M. Arch.

Chairman and Chief Executive Officer of Pan-Jamaican Investment Trust Limited and Chairman of Jamaica Property Company Limited (JPCO), one of Jamaica's leading property management companies. A graduate from Rice University and the University of Pennsylvania, Mr. Facey brings over 30 years' experience to the Board. Mr. Facey is a director of Sagicor Group Jamaica Ltd., Panacea Insurance Company Limited, Mavis Bank Coffee Factory Limited, New Kingston Civic Association and Kingston Restoration Company Limited, An architect by training, he is also a Director of the Jamaica Developers Association and a member of the Jamaica Institute of Architects.

Paul R. Hanworth, MA., ACA, CPA.

Mr. Paul Hanworth has been a Director and the Chief Operating Officer of Pan-Jamaican Investment Trust Limited since 2013, prior to which he was Chief Financial Officer for six years. He is also a Director of Sagicor Group Jamaica Limited, for which he is Chairman of the Risk Committee and a member of the Audit Committee. He also sits on the boards of British Caribbean Insurance Company Limited, Rainforest Seafoods Limited, and a number of Pan-Jam's subsidiaries and associated companies. He chairs the Listed Companies Committee of the Private Sector Organisation of Jamaica, and was recently appointed to the Board of the National Health Fund. Mr. Hanworth worked with KPMG and Diageo plc in various countries before moving to Jamaica in 1998. Mr. Hanworth holds a Masters degree in Classics from Cambridge University, and is a member both of the Institute of Chartered Accountants in England and Wales and of the American Institute of Certified Public Accountants.

Christopher N. Barnes, BSc, MBA.

Mr. Christopher Barnes joined the Board of Pan-Jamaican Investment Trust Limited in December 2012. He is currently the Chief Operating Officer of Radio Jamaica Limited and Managing Director of The Gleaner Company (Media) Limited, having overseen the 2015 merger of media operations of Jamaica's two largest media houses - Radio Jamaica Limited and The Gleaner Company Limited. A trained mechanical engineer with a graduate degree in finance and international business from Boston University and McGill University respectively, Christopher serves on the boards of JN Life Insurance Company Limited, various subsidiaries of Radio Jamaica Limited and other media company boards across the region. He is a Vice President of the Private Sector Organization of Jamaica.

Richard O. Byles, BSc., MSc.

Mr. Richard O. Byles is the President and Chief Executive Officer of both Sagicor Group Jamaica Limited and Sagicor Life Jamaica Limited (SLJ) His experience and expertise spans across the financial industry to include Life Health and General Insurance, Asset & Investment Management, Banking, Pension Administration and Re-Insurance Management. He is a member of the Executive Committee of Sagicor Financial Corporation, the parent company of SLJ. Richard is the Chairman of Desnoes & Geddes Limited, Sagicor Life of Cayman Island Limited, Sagicor Bank Jamaica Limited and director of Sagicor Investments Jamaica Limited. He is also the Co-chairman of Jamaica's Economic Policy Oversight Committee (EPOC).

Paul A. B. Facey, BSc., MBA.

Mr. Paul A. B. Facey is the Chief Investment Officer of Pan-Jamaican Investment Trust Limited. He brings to the Pan-Jam Board his substantial experience in the trading, manufacturing and financial operations of the Pan-Jam Group of Companies over the last eighteen years. Mr. Facey sits on the Boards of Sagicor Investments Jamaica Limited, Sagicor Bank Jamaica Limited, Sagicor Group Jamaica Limited and Hardware & Lumber Limited. He serves on Sagicor Group Audit Committee, Sagicor Bank Audit and Investment Committees, Sagicor Investments Risk and Investment Committee and Cecil Boswell Facey Foundation.

Donovan H. Perkins, BA (Hons), MBA.

Mr. Perkins is President & Chief Executive Officer of Sagicor Bank Jamaica Limited. He previously worked at Bank of America in its Commercial Banking Division in Florida prior to returning to Jamaica in 1993.

Under his leadership, Sagicor Bank (formerly Pan Caribbean) has grown through a series of mergers and acquisitions into a profitable and growing commercial banking operation. He is a director of Jamaica Producers Group and currently serves as Chairman of the Linkages Council, an advisory group within the Ministry of Tourism. He served as Chairman of the Jamaica Stock Exchange, and in the public sector as Deputy Chairman of the National Water Commission. His previous public sector directorships also include the Jamaica Social Investment Fund and National Insurance Fund. In the private sector lobby groups, he served as Vice President of both the Jamaica Bankers Association, the Private Sector Organization of Jamaica and as a Director of the Jamaica Exporters Association.

T. Matthew W. Pragnell, BA.

Mr. Pragnell joined the board of Pan-Jamaican Investment Trust Limited in 2009. He is the Chief Executive Officer of the CGM Gallagher Group, the largest insurance broker and risk management group in the English-speaking Caribbean with operations in Jamaica, Barbados, St. Lucia, St. Vincent, Antigua, St Kitts and Nevis, Antigua, Dominica and Grenada. Mr. Pragnell originally trained in insurance as a Lloyd's Broker specializing in reinsurance, in the City of London. He also has experience in mergers and acquisitions. He is one of the founding directors of Panacea Insurance Company, the group's captive insurance vehicle domiciled in St Lucia. He is a past president of the Jamaica Insurance Brokers Association and was active in the updating of the insurance legislation in 2001. He also serves as Chairman of the group's Compensation Committee and sits on other board committees for the Pan-Jam. Mr. Pragnell has also non-executive director experience in banking.

Kathleen A. J.Moss, BSc., MBA., CBV.

Mrs. Moss is a Management Consultant and Chartered Business Valuator with Sierra Associates, an Independent advisory and business valuation firm that she established in 1993. She was appointed to the Board in August 2010, and chairs the Audit and Governance Committees. Mrs. Moss serves on the boards of Jamaica Producers Group, Assurance Brokers Jamaica Limited, JN General Insurance Company Limited, Jamaica National Building Society and Kingston Wharves Limited. Mrs Moss chairs the audit committee of JN General Insurance Company Limited, Jamaica Producers Group, and the Compensation & Leadership Development Committee of Kingston Wharves. She is a trustee of the Violence Prevention Alliance and a member of the Finance Committee of the Archdiocese of Kingston. Mrs. Moss is a member of the Canadian Institute of Chartered Business Valuators and a graduate of the University of the West Indies and McGill University.

Ian S. C. Parsard, MBA.(Hons.), ACCA.

Mr. Ian Parsard is the Senior Vice President of Operations and Finance for the Jamaica Broilers Group Limited, one of the Caribbean's most successful vertically integrated agro-processing entities. With over 20 years of expertise in Finance and Information Technology, Mr. Parsard continues to exercise his business acumen as a member of the Group's Executive Team in the development and execution of the company's strategic plan and was instrumental in the company's successful foray into the ethanol industries in 2007. He was appointed to the Pan-Jam Board in August 2010 and also serves as a Director on the Boards of Jamaica Broilers Group Limited and the Mustard Seed Agricultural Program. He is a Past President of the JBG Cooperative Credit Union, a past Jamaica Scholar (1985) and a Chartered Accountant. Mr. Parsard also holds a MBA from the University of Pennsylvania's Wharton School of Business, graduating with highest honours as the Palmer Scholar.

Corporate Data

Board of Directors:

Stephen B. **Facey**, BA., M. Arch.
Chairman & Chief Executive Officer

Christopher N. **Barnes**, BSc., MBA.

Richard O. **Byles**, BSc., MSc.

Paul A. B. **Facey**, MBA.

Paul R. **Hanworth**, MA., ACA., CPA.

Kathleen A.J. **Moss**, BSc. (Mgt.), MBA., CBV.

Ian S.C. **Parsard**, MBA (Hons.), ACCA.

Donovan H. **Perkins**, MBA.

T. Matthew W. **Pragnell**, BA.

Senior Management:

Stephen B. **Facey**, BA., M. Arch.
Chief Executive Officer

Paul R. **Hanworth**, MA., ACA., CPA.
Chief Operating Officer

Stephen G. **Phillibert**, CFA, MBA.
Chief Financial Officer

Paul A. B. **Facey**, MBA.
Chief Investment Officer

Camelia M. **Nelson**, FCA., FCCA., MBA.
Group Financial Controller

Claudette A. **Ashman Ivey**, FCA., FCCA., CTP.
Group Treasury Manager

Karen L. Vaz, BA., CCM.
Group Vice President
- Human Resources and Information Technology

Subsidiary:

Steve A. **Sherman**, BSc. (Civil Eng.)
General Manager

Sonia T. **Sykes**, BSc.(Econ & Mgt.)
Marketing Manager

Sam C. **Cooper**, BBA.
Development Manager

Secretary

Gene M. **Douglas**, FCIS., MBA.

Registered Office:

60 Knutsford Boulevard
Kingston 5

Registrar:

Sagicor Bank Jamaica Limited
Corporate Trust Division
Location: Sagicor Life Building
28-48 Barbados Avenue
Kingston 5

Bankers:

Sagicor Bank Jamaica Limited
CIBC First Caribbean International Bank Ltd.

Auditors:

PricewaterhouseCoopers

Attorneys-at-Law:

Patterson Mair Hamilton

Nunes Scholefield DeLeon & Company

Group Structure

INVESTMENT

Castleton Investments Limited
20 Micoud Street
Castries, St. Lucia

Portfolio Partners Limited
60 Knutsford Boulevard
Kingston 5

CAPTIVE INSURANCE

Panacea Insurance Limited
20 Micoud Street
Castries, St Lucia

PROPERTY MANAGEMENT & RENTAL

Jamaica Property Company Limited
60 Knutsford Boulevard
Kingston 5

Knutsford Holdings Limited
60 Knutsford Boulevard
Kingston 5

ASSOCIATED COMPANIES

Insurance, Pension Management & Banking

Sagicor Group Jamaica Limited
28-48 Barbados Avenue
Kingston 5

Manufacturing & Distribution

New Castle Company Limited
20 Micoud Street
Castries
St Lucia

Retail & Trading

Hardware & Lumber Limited
697 Spanish Town Road
Kingston 11

Tourism

Chukka Caribbean Adventures Limited
1st Floor Bourbon House
Bourbon Street
Castries, St. Lucia

Hotel Property Development

Caribe Hospitality of Jamaica Limited
60 Knutsford Boulevard
Kingston 5

Joint Venture Companies

Mavis Bank Coffee Factory Limited
60 Knutsford Boulevard
Kingston 5

Kingchurch Property Holding Limited
60 Knutsford Boulevard
Kiingston 5

Board Charter & Corporate Governance Guidelines

The guidelines were reviewed in November 2014 and the full Terms of Reference are available on the Company's website at www.panjam.com.

Board Mission

Mission Statement

The Pan-Jamaican Investment Trust (Pan-Jam) Board of Directors represents the owners' interest in maintaining and growing a successful business, including optimizing long-term financial returns and lowering cost of capital. The Board is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management in directing and controlling the business.

The Board is responsible for determining that Pan-Jam is managed in such a way to ensure this result. This is an active, not a passive, responsibility. The Board has the responsibility to ensure that management is capably executing its responsibilities. The Board's responsibility is to regularly monitor the effectiveness of management policies and decisions including the execution of its strategies.

In addition to fulfilling its obligations for increased stockholder value and optimizing long term financial returns, the Board has a responsibility to ensure successful perpetuation of the business.

Board Functions

Areas of responsibilities

The Board makes decisions and reviews and approves key policies and decisions of the Company in particular in relation to:

- Corporate governance;
- Compliance with laws, regulations and the Company's code of business conduct;
- Corporate citizenship, ethics, environment;
- Strategy and operating plans;
- Business development including major investments and disposals;
- Financing and treasury;
- Appointment or removal of Directors;
- Remuneration of Directors;
- Risk management;
- Financial reporting and audit;
- Succession planning for its Executive Chairman, and other Senior Executives
- Pensions

Specific responsibilities for Chairman, Company Secretary and Directors

The Chairman is principally responsible for the effective operation and chairing of the Board and for ensuring that information that it receives is sufficient to make informed judgments. He also provides support to the Chief Operating Officer, particularly in relation to external affairs. He/she is also responsible for ensuring that new Directors receive appropriate training and induction into Pan-Jam.

The Company Secretary is responsible for ensuring that Board processes and procedures are appropriately followed and support effective decision-making and governance. He/she is appointed by, and can only be removed by the Board. All Directors have access to the Company Secretary's advice and services and there is also a formal procedure for Directors to obtain Independent professional advice in the course of their duties, if necessary, at the Company's expense.

Each Board member is expected to commit sufficient time for preparing and attending meetings of the Board, its Committees and, if applicable, of the Independent Directors. Regular attendance at Board meetings is a prerequisite therefore unless explicitly agreed upfront; a Director should not miss two consecutive regular Board meetings.

Because in-depth knowledge of the particulars of the Company's business is vital for each Director in making informed and objective decisions, management is to allow direct involvement and review of operational activities. Similarly, management also is to communicate to Board members opportunities to interact in strategy and day-to-day business settings. Board members are strongly encouraged to take advantage of such opportunities as frequently as feasible. The Directors have complete access to the Leadership of the Company via the Executive Chairman.

Selection & Composition of the Board

The Board is responsible for the overview of the interest of all stakeholders on the matters as outlined above. The composition of the Board should be such that these interests are best served and therefore the Directors require diversity in skills and characteristics.

Size of the Board

The Board will have 7 to 10 Directors of which at least 30% will be independent directors. Considering the size of the organization and the environment in which it operates, the Board believes such numbers are adequate.

Executive and Non-Executive Directors

At any time the number of Executive Directors should not exceed 50% of the total number of Directors.

Conflicts of Interest/ Disclosure

Any dealings in the Company's shares by any Director must be promptly reported to the Company Secretary who is obliged to disclose such information on a regular basis to the Jamaica Stock Exchange.

No Director should trade in the Company's shares during the period of one (1) month before the release of the quarterly Financial Statements and in the case of the Audited Accounts, two (2) months prior to such release or at any time that the company has an embargo on trading. No trading should also occur between the time a dividend is considered and the time in which that information is provided to the Jamaica Stock Exchange.

A Director who has an interest in the Company or in any transactions with the Company, which could create or appear to create a conflict of interest, must disclose such interests to the Company. These would include:

- Any Interest in contracts or proposed contracts with the company
- General disclosure on interest in a firm or charity, which does business with the company
- Interest in securities held in the Company
- Emoluments other than board fees received from the Company
- Loans or Guarantees granted by the Company to/for the Director.

Disclosure shall be made at the first opportunity at a Board Meeting in writing and such disclosure shall be recorded in the Minutes of the Board Meeting.

The Director shall then excuse himself or herself from the Board meetings when the Board is deliberating over any such contract and shall not vote on any such issue.

If a conflict exists and cannot be resolved, the Director should resign.

The Disclosure of Director's interest shall include interests of his or her family and affiliates.

Election, Terms, Re-election and Retirement

Election, terms, re-election and retirement of each Board member is conducted in line with the Articles of Incorporation of the Company, Articles 89 to 97, with the exception that each Board member is to retire during the financial year, when the Director reaches the age of 70 years, unless a special resolution of exemption to this rule is passed by members in general meeting as recommended by the Board.

Board and Executive Compensation

The level of compensation of the Non-Executive Directors reflects the time commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Non-Executive Directors of the quality required. The compensation is competitive and subject to regular review to what is paid in comparable situations elsewhere.

The board will conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively.

Director Orientation and Education

The Board and Management will conduct a comprehensive orientation process for new Directors to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material and meetings with senior management.

The Board also recognizes the importance of education for its Directors. It is the responsibility of the Board to advise the Non-Executive Directors about their education, including corporate governance issues. Directors are encouraged to participate in continuing Director Education programmes.

Access to outside advisors and funds

The Company will make such funds available to the Board and in particular the Non-Executive Directors as is reasonably required for those Directors to objectively make decisions. This may include providing funds to access outside advisors and cover cost associated with travel and the gathering of relevant information for the execution of their responsibilities.

Succession planning

The Board will have full responsibility to ensure that the business is well managed at all times and that succession plans and potential candidates are identified for all senior executives including the Executive Chairman.

Should the Executive Chairman, CEO, COO or the CFO demit office due to an emergency, the Board will convene at the earliest possible time or in any event not less than 48 hours after such an event, with a view to appointing an interim or permanent successor to such posts.

Code of Conduct

The Board expects all Directors as well as officers and employees, to act ethically at all times and to adhere to all codes and policies specifically including "The Code of Business Conduct" that describes the values of the Pan Jamaican Investment Trust group values namely:

- Respect and Dignity
- Trust
- Communication
- Teamwork
- Appreciation
- Accessibility
- Professionalism
- Good Value
- Strength
- Compassion and Social Consciousness
- Group Pride

The Board will not permit any waiver of any of these policies for any Director or Executive officer.

Board Committees

The Board has established several Committees, each with clearly defined terms of reference, procedures, responsibilities and powers.

Audit Committee

On behalf of the Board, the Audit Committee shall:

- Review the Company's annual and interim financial statements and related policies and assumptions and any accompanying reports or related policies and statements.
- Monitor and review the effectiveness of the Company's internal audit function.
- Monitor and review the external auditor's independence, objectivity and effectiveness.
- Develop and implement policy on the engagement of the external auditor to supply Non-audit services.
- Approve the company's risk management policy which defines the company's risk appetite and level of risk tolerance
- Monitor the adequacy and effectiveness of the Company's systems of risk management and control

The majority of members of the Audit Committee shall consist of Non-Executive Directors of the Company duly appointed by the Board. The Board shall also appoint the Chairman and Secretary of the Audit Committee. The Board Chairman shall not be a member of the Committee. The Committee shall consist of not less than three members.

The Audit Committee shall meet at least four (4) times a year, within forty-five (45) days of the end of each quarter and at such other times as any member of the Committee or the external auditors may request.

All financial statements and matters which are of significant import to the investing public shall be reviewed by the Audit Committee. The full Board will have responsibility and accountability for the final release of such information.

Investment and Risk Committee

The Investment and Risk Committee shall:

- Review the company's investments, acquisitions and disposals
- Meet at least 4 times a year
- Comprise at least 6 members of the board with a mix of independent and non-independent directors

Human Resources and Compensation Committee

The Compensation Committee shall:

- Review of the performance of the Executive Directors and the senior executives of the Company on at least an annual basis
- Report its findings during a regular Board meeting annually
- Comprise of a majority Non Executives directors

Corporate Governance Committee:

This Committee comprises of two Non-Executive Directors and one Executive Director. The Committee is responsible for keeping under review the composition of the Board and succession to it. It makes recommendations to the Board concerning appointments to the Board of Non-Executive Directors, having regard to the balance and structure of the Board and the required blend of skills and experience. The Committee has responsibility to:

- Nominate potential candidates and evaluates the suitability of those candidates for future Board membership;

- Proposes suitable candidates to the board for approval prior to approaching the candidate;
- Approach the future candidate and upon positive response, introduce the future board member to the Board.

The Board may call any Ad Hoc Committee, as it deems necessary. The Board will set out the rules under which such Committee governs at each occasion. All Committees including those explicitly mentioned above will be subject to the annual evaluation process, similar as applied to the Board itself.

Meetings

Frequency of Meetings

During each financial year, there will be a minimum of 4 regular Board meetings. Special Board meetings may occur at such other times as any member of the Board may request.

Selection of Agenda Items for Board Meetings

The Chairman and Company Secretary will establish the agenda for each Board meeting. Each Board member may suggest the inclusion of item(s) on the agenda.

Information important to the Board's understanding of the business will be distributed electronically and or in writing to the Board before the Board meetings. As a general rule, presentations on specific subjects should be sent to the Board members sufficient in advance to be adequately prepared at Board meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed at the meeting.

Additional Attendees to the Meeting

Furthermore, the Board encourages the Management to, where it assist the ability of the Board members to execute their responsibilities, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

Board Sub-Committees

Names	Investment & Risk	Audit	Corporate Governance	Human Resources & Compensation
Stephen B. Facey	Chairman		•	•
Kathleen A.J. Moss		Chairman	Chairman	
T. Matthew W. Pragnell	•	•		Chairman
Richard O. Byles			•	
Paul R. Hanworth	•			
Paul A.B. Facey	•			
Ian S.C. Parsard	•	•		•
Donovan H. Perkins	•			•
Christopher N. Barnes	•			

Board and Sub-Committees - Attendance Register 2015

	Board Meetings	Audit	Corporate Governance	Investment & Risk	Human Resources & Compensation	Annual General Meeting
No. of meetings held	6	4	2	3	2	1
Stephen B. Facey *Chairman & CEO* 'E'	6		2	3	2	1
Christopher N. Barnes 'I'	4			2		1
Richard O. Byles 'NI'	6		1			1
Paul A.B. Facey 'E'	6			3		0
Paul R. Hanworth 'E'	6			2		1
Kathleen A.J. Moss 'I'	6	4	2			1
Ian Parsard 'I'	5	4		2	2	1
Donovan H. Perkins 'NI'	6			3	2	1
T. Matthew W. Pragnell 'I'	6	3		3	2	1

E = Executive I = Independent NI = Non-Independent

An independent Director is defined as a person who:

a. has not been employed by the Company or any subsidiary within the last two years;
b. Has not been an employee or affiliate or our Internal/External Auditors within the last three years;
c. Has not received any compensation other than director or committee fees within the last two years;
d. Has not been employed by a company of which an Executive Director/Officer has been a director within the last 2 years; and
e. Is not a member of the immediate family of an Executive Director/ Officer, immediate family being defined as spouse, parent, child or sibling, in law or anyone sharing the same home with any of the above.

Non-Executive Directors' Remuneration

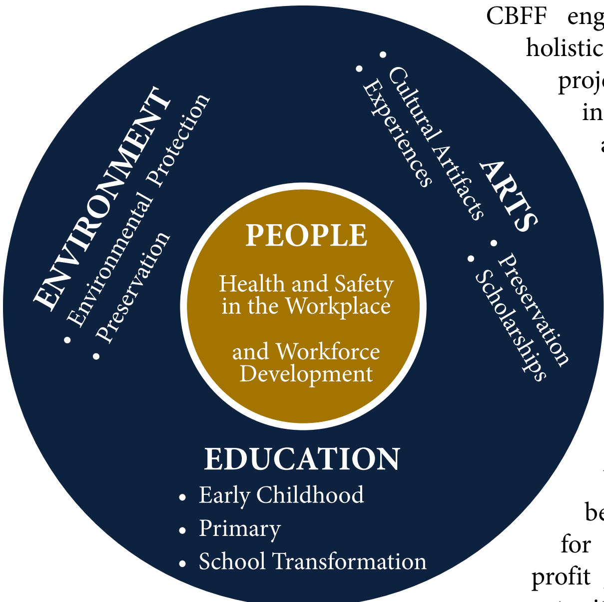
Annual Retainer	Board	Audit	Investment & Risk	HR & Compensation	Governance
Chairman	$ 1,650,000	$800,000	$475,000	$475,000	$475,000
Members	$1,050,000	$630,000	$375,000	$375,000	$375,000

Executives who are employed by the Company or its subsidiary and serve as a director or member of a sub-committee are not paid directors' fees.

C.B. FACEY FOUNDATION

The C. B. Facey Foundation (CBFF) directs the corporate social responsibility for Pan-Jamaican Investment Trust (Pan-Jam).

Through CBFF, Pan-Jam reflects their philosophy of "Invested in Jamaica" by implementing sound business practices; assisting the communities in which they operate; and helping to shape a better, more educated society.



CBFF engages community initiatives with a holistic, hands-on approach that ensures project sustainability and maximal impact in our areas of focus — education, art, and environment.

CBFF envisions a nation where all stakeholders are invested in the national developmental goals that ensure Jamaica becomes the place of choice to live, work, raise families, and do business.

The Foundation is focused on making sustainable investments both economically and socially. We believe it is our role to set an example for sustainable fiscal practices in non-profit giving. We have a unique leadership opportunity, and responsibility, to create a national sense of urgency so as to stimulate action in education and other public policy discourse to achieve the VISION 2030 goals.

Executive Director of the C. B. Facey Foundation, Ms. Brittany Singh and Mr. Robert Facey, present a cheque of One Million Dollars to Keith Sangster, Chairman of The Wortley Home at the 2015 staging of the SANTA Golf Tournament.

EDUCATION

Wortley Home For Girls

In June 2015, the Wortley Home, a home for girl wards of the State in Constant Spring, was destroyed by fire. In order to support the girls, we not only partnered with the SANTA GOLF TOURNAMENT which raised funds for the Wortley Home, but have covered their operational costs since the fire to support the team as they focus on fundraising initiatives to rebuild.

Communities of Impact

Group VP - Human Resources & Information Technology, Mrs. Karen Vaz discusses with students of the Boys Town Infant and Primary School strategies for staying healthy.

Ms. Nadine Tarawali, Environmental, Health and Safety Officer of Jamaica Property Company Limited showing students how to use items in the renovated bathrooms.

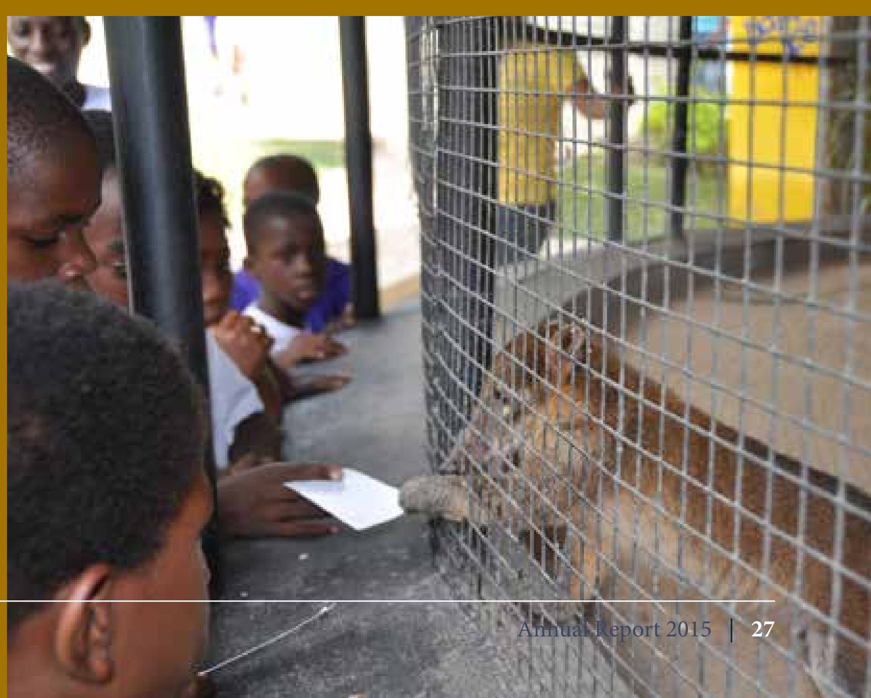
Boys Town Infant & Primary School

In keeping with The Ministry of Education's National Strategic Plan (2011-2020), Pan-Jam, through the C.B. Facey Foundation maintained its partnership with Boys Town Infant & Primary School as the institutional drivers of the education transformation process. The Foundation has committed to injecting much-needed technical and financial resources to improve student achievement, teacher quality, curriculum development, organizational effectiveness, school/home/community partnership development and infrastructural development.

This year more specifically, a team of Pan-Jam staff members, in partnership with the GraceKennedy Foundation, completed student bathroom renovations as part of an internal charity competition. The renovations of four bathrooms kick-started a hygiene awareness and bathroom care campaign with the student body. Furthermore, investments were made for increased teacher professional development and leadership programmes for the students.

Annual Christmas Treat

December kicked off our second Annual Boys Town Christmas Treat, where approximately 300 children were treated to a day at Hope Zoo and engaged in a myriad of activities, including animal interaction sessions. This day-out gave our Pan-Jam staff another opportunity to engage with the students to develop and encourage mentoring relationships.



Students from Boys Town Infant and Primary School are mesmerized by the animals at Hope Zoo, where they were taken for their annual Christmas Treat.

Students of Boys Town Infant and Primary School at The Jamaica Junior Theatre 2015 Production of Nesta's Rock sharing the lens in front of the creative montage (right) and interacting with a cast member (above).

ARTS

We believe that the Arts serve as a catalyst to make our cities destinations for tourists, help attract and retain businesses, and play an important role in the economic revitalization of cities and the vibrancy of our neighborhoods. As such, we continued to provide scholarships for students of Edna Manley School of Visual Arts.

Jamaica Junior Theatre "Nesta's Rock"

In 2015, we continued the annual tradition of introducing theatrical arts to the students of Boys Town Infant & Primary School, when they attended the Jamaica Junior Theatre's production of Nesta's Rock.

Farm to Table

November 2015 kicked off the first staging of The Mt. Plenty Farm To Table fundraiser by C.B. Facey Foundation Trustee, Laura Facey. The event was 'A Fusion of Food, Art and Goodwill' which brought together over 250 attendees at the Mount Plenty Farm. J$5,500,000 was raised from both ticket sales and art auctioning towards the transformation of Boys Town Infant and Primary School.

Students of the Orange Hall Community performed a traditional Jonkunoo presentation at FARM TO TABLE 2015 in costumes they created at the Orange Hall Summer School hosted by Laura Facey.

ENVIRONMENT

Nuh Dutty Up Jamaica Campaign

This year, the Pan-Jam and Jamaica Property Company team partnered with the NUH DUTTY UP JAMAICA Campaign by Jamaica Environment Trust (JET) and the Tourism Product Development Company (TPDCo). Not only did the team walk the streets of New Kingston to raise awareness and brand the rubbish bins, but also we had an in-house clean-up day to spread the message of recycling among the staff. This project motivated the staff to later participate in the 2015 staging of the JET's Annual Beach Clean-Up.

JET's Annual Beach Clean-Up

Our Group of Long Service and Performance Awardees.

Our People

The continued success of our organisation can be attributed to the unwavering commitment and contribution of our people. As our ambassadors, we rely on their talents and continuous enthusiasm in maintaining our impact in a challenging economy, focusing on our "strong legacy and powerful future".

It is paramount that we make it a priority to retain, nurture and empower our people, as they possess the right knowledge, skills and abilities in getting their jobs done. We are committed to helping them, at each level, perform at their best with the requisite coaching, learning and corporate training programs, to strengthen their potential and fulfill their personal and professional aspirations.

We are driven by our mission of maintaining and growing a successful business, and in so doing, we commit to protecting our people, the public and the environment, while complying with applicable procedures to safeguard the company's reputation. To this end, we promote a culture of prioritizing health and safety through awareness campaigns to reinforce the need to create a safer and healthier environment for everyone.

We continuously emphasize our appreciation for our people through our Annual Awards Function, which recognizes both our exceptional performers and our long serving members. It is our profound belief that "employees are a company's greatest asset", as such, this year, we again salute their devotion and dedication to our entity.

Our social events and Annual Family Fun Day are aimed at promoting team building exercises through constant engagement, improving interactions across our various departments and endorsing commonality among our people. This reinforces that we are all a part of the same team, which supports the organization's goals and values.

Engaging our employees cross-functionally in our sustainable development plans, convinces them to believe in our policy for growth, as they help to understand the broad strategy and the specific action plan, making them productive and proud of their achievements.

Another year has passed and we have learned that if we take the time to appreciate our people, they will reciprocate in a thousand ways. The journey continues...

Financial Statements 2015

pwc

Independent Auditor's Report

To the Members of
Pan-Jamaican Investment Trust Limited

Report on the Consolidated and Company Stand-Alone Financial Statements

We have audited the accompanying consolidated financial statements of Pan-Jamaican Investment Trust Limited and its subsidiaries, set out on pages 33 to 142, which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, and the accompanying financial statements of Pan-Jamaican Investment Trust Limited standing alone, which comprise the statement of financial position as at 31 December 2015 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated and Company Stand-Alone Financial Statements

Management is responsible for the preparation of consolidated and company stand-alone financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of consolidated and company stand-alone financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and company stand-alone financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and company stand-alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and company stand-alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and company stand-alone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated and company stand-alone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated and company stand-alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of Pan-Jamaican Investment Trust Limited and its subsidiaries, and the financial statements of Pan-Jamaican Investment Trust Limited standing alone give a true and fair view of the financial position of Pan-Jamaican Investment Trust Limited and its subsidiaries and of Pan-Jamaican Investment Trust Limited standing alone as at 31 December 2015, and of their financial performance and cash flows for the year then ended, so far as concerns the members of Pan-Jamaican Investment Trust Limited, in accordance with International Financial Reporting Standards and the requirements of the Jamaican Companies Act.

Report on Other Legal and Regulatory Requirements

As required by the Jamaican Companies Act, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying consolidated and company stand-alone financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

PricewaterhouseCoopers,
Chartered Accountants
18 March 2016
Kingston, Jamaica

PricewaterhouseCoopers, Scotiabank Centre, Duke Street, Box 372, Kingston, Jamaica
T: (876) 922 6230, F: (876) 922 7581, www.pwc.com/jm

L.A. McKnight P.E. Williams L.E. Augier A.K. Jain B.L. Scott B.J. Denning G.A. Reece P.A. Williams R.S. Nathan
C.I. Bell-Wisdom D.D. Dodd G.K. Moore

Consolidated Income Statement

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Income			
Investments	5	205,722	257,268
Property	6	1,482,694	1,551,144
Commissions		56,596	61,404
Other	7	97,295	69,408
		1,842,307	1,939,224
Operating expenses	8	(1,267,864)	(1,181,134)
Operating Profit		574,443	758,090
Finance costs	10	(496,422)	(506,646)
Share of results of joint ventures		34,230	(39,606)
Share of results of associated companies		3,192,256	2,732,864
Profit before Taxation		3,304,507	2,944,702
Taxation	11	(50,614)	(90,723)
NET PROFIT		3,253,893	2,853,979
Attributable to:			
Owners of the parent		3,186,141	2,842,755
Non-controlling interests		67,752	11,224
		3,253,893	2,853,979
Earnings per stock unit attributable to owners of the parent during the year			
Basic and fully diluted	12	$15.19	$13.55

Consolidated Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015 $'000	2014 $'000
Net Profit for the year	3,253,893	2,853,979
Other Comprehensive Income, net of taxes		
Items that will not be reclassified to profit or loss		
Re-measurement of post-employment benefit obligations, net of taxation	56,217	138,254
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	6,117	1,724
Unrealised gains on available-for-sale financial assets, net of taxation	32,211	76,465
Gains recycled to profit or loss on disposal and maturity of investment assets, net of taxation	(86,698)	(31,649)
Share of other comprehensive income of associated companies, net of taxation	(2,005,316)	665,633
	(2,053,686)	712,173
TOTAL COMPREHENSIVE INCOME	1,256,424	3,704,406
Attributable to:		
Owners of the parent	1,188,673	3,693,176
Non-controlling interests	67,751	11,230
	1,256,424	3,704,406

Consolidated Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
ASSETS			
Cash and Bank Balances	13	120,123	44,305
Investments			
Deposits	13	281,304	204,684
Investment securities:			
Financial assets at fair value through profit and loss	14	462,802	451,812
Available-for-sale	14	1,290,749	1,422,868
Loans and receivables	14	386,145	253,223
		2,139,696	2,127,903
Securities purchased under agreements to resell	15	553,900	461,300
Investment properties	16	5,194,069	4,913,445
Investment in joint ventures	17	240,605	36,875
Investment in associated companies	17	17,781,280	17,128,778
		26,190,854	24,872,985
Other assets			
Taxation recoverable		25,590	17,863
Deferred tax assets	18	4,281	23,296
Prepayment and miscellaneous assets	19	1,238,093	1,106,405
Property, plant and equipment	20	314,783	327,586
Intangibles	21	60,437	-
Retirement benefit assets	22	-	21,052
		1,643,184	1,496,202
		27,954,161	26,413,492

Consolidated Statement of Financial Position (Cont'd)

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Capital and Reserves Attributable to Owners of the Parent			
Share capital	27	2,141,985	2,141,985
Equity compensation reserve	28	38,181	23,052
Property revaluation reserve	29	3,327,600	3,118,605
Investment and other reserves	30	1,879,882	3,926,021
Retained earnings		14,541,916	12,106,496
Treasury stock		(166,446)	(181,666)
		21,763,118	21,134,493
Non-Controlling Interests		336,928	269,177
		22,100,046	21,403,670
Liabilities			
Bank overdrafts	13	8,913	6,031
Taxation payable		36,157	48,756
Loan liabilities	24	5,180,745	4,424,547
Finance lease liability	25	11,446	11,812
Deferred tax liabilities	18	54,319	81,022
Retirement benefit liabilities	22	183,618	133,858
Other liabilities	26	378,917	303,796
		5,854,115	5,009,822
		27,954,161	26,413,492

Approved for issue by the Board of Directors on 18 March 2016 and signed on its behalf by:

Stephen B. Facey Chairman Paul Facey Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

		\-------------------------------Attributable to Owners of the Parent---------------------------\							
		Share Capital Reserve	**Equity Compensation Reserve**	**Property Revaluation Reserve**	**Investment and Other Reserves**	**Retained Earnings**	**Treasury Stock**	**Non-controlling Interests**	**Total**
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2014		2,141,985	11,359	2,922,892	3,210,700	9,717,955	(164,325)	257,947	18,098,513
Comprehensive income									
Net profit		-	-	-	-	2,842,755	-	11,224	2,853,979
Other comprehensive income		-	-	-	712,167	138,254	-	6	850,427
Total comprehensive income for the year		-	-	-	712,167	2,981,009	-	11,230	3,704,406
Transactions with owners									
Employee share option scheme value of services provided	28	-	16,698	-	-	-	-	-	16,698
Employee share grants vested	28	-	(5,005)	-	(2,207)	-	7,212	-	-
Dividends paid to equity holders of the company	31	-	-	-	-	(556,002)	-	-	(556,002)
Acquisition of treasury stock		-	-	-	-	-	(24,553)	-	(24,553)
Change in reserves of associated company		-	-	-	5,361	-	-	-	5,361
Gain on purchase of minority interest by associated company		-	-	-	-	159,247	-	-	159,247
Total transactions with owners		-	11,693	-	3,154	(396,755)	(17,341)	-	(399,249)
Transfer of unrealised property revaluation gains		-	-	195,713	-	(195,713)	-	-	-
Balance at 31 December 2014		2,141,985	23,052	3,118,605	3,926,021	12,106,496	(181,666)	269,177	21,403,670

Consolidated Statement of Changes in Equity (Cont'd)

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

		\------------------------------Attributable to Owners of the Parent-------------------------\							
		Share Capital	**Equity Compensation Reserve**	**Property Revaluation Reserve**	**Investment and Other Reserves**	**Retained Earnings**	**Treasury Stock**	**Non-controlling Interests**	**Total**
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2015		2,141,985	23,052	3,118,605	3,926,021	12,106,496	(181,666)	269,177	21,403,670
Comprehensive income									
Net profit		-	-	-	-	3,186,141	-	67,752	3,253,893
Other comprehensive income		-	-	-	(2,053,685)	56,217	-	(1)	(1,997,469)
Total comprehensive income for the year		-	-	-	(2,053,685)	3,242,358	-	67,751	1,256,424
Transactions with owners									
Employee share option scheme value of services provided	28	-	24,900	-	-	-	-	-	24,900
Employee share grants vested	28	-	(9,771)	-	(195)	-	9,966	-	-
Dividends paid to equity holders of the company	31	-	-	-	-	(597,943)	-	-	(597,943)
Employee share purchases		-	-	-	(1,259)	-	5,254	-	3,995
Change in reserves of associated company					9,000				9,000
Total transactions with owners		-	15,129	-	7,546	(597,943)	15,220	-	(560,048)
Transfer of unrealised property revaluation gains		-	-	208,995	-	(208,995)	-	-	-
Balance at 31 December 2015		2,141,985	38,181	3,327,600	1,879,882	14,541,916	(166,446)	336,928	22,100,046

Consolidated Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities	32	459,233	453,839
Cash Flows from Investing Activities			
Acquisition of property, plant and equipment	20	(68,755)	(64,551)
Acquisition of intangible asset	21	(60,437)	-
Improvements to investment properties	16	(158)	(27,009)
Proceeds from disposal of property, plant and equipment		-	4,748
Investments in associated companies	17	(400,360)	(143,763)
Investment in joint venture	17	(169,500)	-
Dividends from associated companies		943,933	807,694
(Acquisition)/disposal of investment securities, net		(142,469)	446,873
Advances on future developments		(2,462)	(9,922)
Net cash provided by investing activities		99,792	1,014,070
Cash Flows from Financing Activities			
Loans received		3,344,301	835,661
Loans repaid		(2,729,255)	(1,085,067)
Interest paid		(355,270)	(362,244)
Finance lease, net		(366)	(2,716)
Issue/(acquisition) of treasury stock		3,995	(24,553)
Dividends paid to equity holders	31	(597,943)	(556,002)
Net cash used in financing activities		(334,538)	(1,194,921)
Net increase in cash and cash equivalents		224,487	272,988
Effect of exchange rate changes on cash and cash equivalents		13,538	13,243
Cash and cash equivalents at beginning of year		702,829	416,598
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	940,854	702,829

Company Income Statement

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Income			
Investments	5	1,303,314	1,122,721
Management fees	7	36,052	33,075
Miscellaneous	7	38	-
		1,339,404	1,155,796
Expenses			
Operating expenses	8	286,785	213,098
Finance costs	10	443,640	422,808
		730,425	635,906
Profit before Taxation		608,979	519,890
Taxation	11	16,340	11,311
NET PROFIT		625,319	531,201

Company Statement of Comprehensive Income

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	2015	2014
	$'000	**$'000**
Net Profit for the year	625,319	531,201
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Re-measurement of post-employment benefit obligations, net of taxation	109,219	16,904
Items that may be subsequently reclassified to profit or loss		
Unrealised gain on available-for-sale financial assets, net of taxation	26,738	41,334
Gains recycled to profit or loss on disposal and maturity of investment assets, net of taxation	(23,154)	(35,998)
	3,584	5,336
TOTAL COMPREHENSIVE INCOME	738,122	553,441

Company Statement of Financial Position

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
ASSETS			
Cash and Bank Balances	13	7,325	1,516
Investments			
Deposits	13	27,455	62,703
Investment securities			
Financial assets at fair value through profit and loss	14	38,240	-
Available-for-sale	14	818,283	913,826
Loans and receivables	14	541,237	441,649
		1,397,760	1,355,475
Securities purchased under agreements to resell	15	294,380	65,329
Investment in subsidiaries	17	395,207	301,510
Investment in associated companies	17	7,582,392	7,582,392
		9,697,194	9,367,409
Other Assets			
Due from related parties	23	1,419,118	551,593
Taxation recoverable		6,348	-
Deferred tax asset	18	4,176	23,190
Prepayment and miscellaneous assets	19	33,574	54,254
Property, plant and equipment	20	9,195	13,977
Retirement benefit assets	22	223,790	95,644
		1,696,201	738,658
		11,400,720	10,107,583

Company Statement of Financial Position (Cont'd)

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
STOCKHOLDERS' EQUITY AND LIABILITIES			
Stockholders' Equity			
Share capital	27	2,141,985	2,141,985
Equity compensation reserve	28	19,392	11,325
Investment and other reserves	30	1,420,636	1,417,052
Retained earnings		2,746,419	2,619,592
		6,328,432	6,189,954
Liabilities			
Bank overdraft	13	8,913	6,031
Taxation payable		4,016	4,405
Due to related parties	23	13,011	73,518
Loan liabilities	24	4,918,549	3,705,955
Finance lease liability	25	1,996	2,805
Retirement benefit liabilities	22	35,230	36,782
Other liabilities	26	90,573	88,133
		5,072,288	3,917,629
		11,400,720	10,107,583

Approved for issue by the Board of Directors on 18 March 2016 and signed on its behalf by:

Stephen B. Facey Chairman

Paul Facey Director

Company Statement of Changes in Equity

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	Share Capital $'000	Equity Compensation Reserve $'000	Investment and Other Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2014		2,141,985	5,543	1,411,716	2,636,552	6,195,796
Comprehensive income						
Net profit		-	-	-	531,201	531,201
Other comprehensive income:		-	-	5,336	16,904	22,240
Total comprehensive income		-	-	5,336	548,105	553,441
Transactions with owners						
Employee share option scheme value of services provided	28	-	8,241	-	-	8,241
Employee share grants vested	28	-	(2,459)	-	-	(2,459)
Dividends paid	31	-	-	-	(565,065)	(565,065)
Total transactions with owners		-	5,782	-	(565,065)	(559,283)
Balance at 31 December 2014		2,141,985	11,325	1,417,052	2,619,592	6,189,954
Comprehensive income						
Net profit		-	-	-	625,319	625,319
Other comprehensive income:		-	-	3,584	109,219	112,803
Total comprehensive income		-	-	3,584	734,538	738,122
Transactions with owners						
Employee share option scheme value of services provided	28	-	12,900	-	-	12,900
Employee share grants vested	28	-	(4,833)	-	-	(4,833)
Dividends paid	31	-	-	-	(607,711)	(607,711)
Total transactions with owners		-	8,067	-	(607,711)	(599,644)
Balance at 31 December 2015		2,141,985	19,392	1,420,636	2,746,419	6,328,432

Company Statement of Cash Flows

Year ended 31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

	Note	2015 $'000	2014 $'000
Cash Flows from Operating Activities	32	997,037	923,352
Cash Flows from Investing Activities			
Investment in subsidiary	17	(93,697)	-
Additional investment in associated company	17	-	(143,763)
Acquisition of property, plant and equipment	20	-	(1,762)
(Acquisition)/disposal of investment securities		(42,955)	220,188
Net cash (used in)/provided by investing activities		(136,652)	74,663
Cash Flows from Financing Activities			
Related parties		(828,323)	198,366
Loans received		3,130,464	648,635
Loans repaid		(2,040,871)	(873,998)
Interest paid		(320,640)	(314,341)
Finance lease repaid		(809)	(778)
Dividends paid to shareholders	31	(607,711)	(565,065)
Net cash used in financing activities		(667,890)	(907,181)
Net increase in cash and cash equivalents		192,495	90,834
Effect of exchange rate changes on cash and cash equivalents		3,635	6,674
Cash and cash equivalents at beginning of year		122,905	25,397
CASH AND CASH EQUIVALENTS AT END OF YEAR	13	319,035	122,905

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities

(a) Pan-Jamaican Investment Trust Limited, ("the company") is incorporated and domiciled in Jamaica. The company is listed on the Jamaica Stock Exchange (JSE).

(b) The main activities of the company are holding investments and controlling the operations of its subsidiaries. The company's income consists mainly of dividends, interest income and management fees earned from its subsidiaries. The registered office of the company is located at 60 Knutsford Boulevard, Kingston 5.

(c) The company's subsidiaries, associated companies, and other consolidated entities, which together with the company are referred to as "the group" are as follows:

	Principal Activities	Proportion of Issued Equity Capital Held by	
Subsidiaries		**Company**	**Subsidiaries**
Jamaica Property Company Limited	Property Management and Development	100%	-
Jamaica Property Development Limited	Property Development	-	100%
Jamaica Property Management Limited	Property Management	-	100%
Imbrook Properties Limited	Property Development	-	100%
Portfolio Partners Limited	Investment Management	100%	-
Scotts Preserves Limited	Food and Beverage	62.5%	-
Busha Browne's Company Limited	Food and Beverage	100%	-
Knutsford Holdings Limited	Office Rental	32%	28%
Panacea Holdings Limited (Incorporated in St. Lucia)	Captive Insurance Holding	100%	-
Panacea Insurance Limited (Incorporated in St. Lucia)	Captive Insurance	-	100%
Castleton Investments Limited (Incorporated in St Lucia)	Investment Management	100%	-
Norbury Investments Limited (Incorporated in Canada)	Property Investment	-	100%
PJ-AL Corp Limited (Incorporated in United States)	Property Investment	100%	
Palisadoes Investments Limited (Incorporated in Canada)	Investment Management	100%	
Simcoe Investments Limited (Incopration in Barbados)	Investment Management	100%	

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

1. Identification and Principal Activities (Continued)

(c) Continued

	Principal Activities	Proportion of Issued Equity Capital Held by	
		Company	**Subsidiaries**
Associated Companies			
Hardware & Lumber Limited	Retail and Trading	20.83%	-
Sagicor Group Jamaica Limited	Life and Health Insurance, Pension Management, Investment and Banking	31.56%	-
Impan Properties Limited	Office Rental	-	20%
New Castle Company Limited (Incorporated in St. Lucia)	Consumer Products	25%	-
Chukka Caribbean Adventures Limited (Incorporated in St. Lucia)	Tourism	20%	-
Caribe Hospitality Jamaica Limited	Hotel Property Developers	32.15%	-
Downing Street Realty Fund II	Property Developers		34.60%
Downing Street Realty Fund V	Property Developers		59.55%
Other Consolidated Entity			
First Jamaica Employees Share Purchase Plan	Employees Share Ownership Plan	100%	-
Joint Venture Companies			
Mavis Bank Coffee Factory Limited	Food and Beverage	-	50%
Kingchurch Property Holdings Limited	Property Development and Management		50%

(d) All of the company's subsidiaries, associated companies and joint venture entities are incorporated and domiciled in Jamaica, except as otherwise indicated.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of the group and the financial statements of the company standing alone (together referred to as the financial statements) have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties, available-for-sale financial assets, and financial assets at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Standards, interpretations and amendments to published accounting standards effective in the current financial year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial period. The Group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following are relevant to its operations:

IAS 19 (Amendment) – 'Defined Benefit Plans: Employee Contributions (effective for annual periods beginning 1 July 2015). The amendment allows entities to recognise employee contributions as a reduction in the service cost in the period in which the related employee service is rendered, instead of attributing the contributions to the periods of service, if the amount of the employee contributions is independent of the number of years of service. This amendment did not have any significant impact on the financial statements.

Annual Improvements 2013, (effective for annual periods beginning on or after 1 July 2014). The improvements consist of changes to a number of standards, of which the following are relevant to the Group's operations. IFRS 13 was amended to clarify that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including contracts to buy or sell non-financial items) that are within the scope of IAS 39 or IFRS 9. IAS 40 was amended to clarify the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. There was no significant impact from adoption of these amendments during the year.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published accounting standards effective in the current financial year (continued)

Annual Improvements 2012, (effective for annual periods beginning on or after 1 July 2014, unless otherwise stated below). The improvements comprise changes to a number of standards, the following of which are relevant to the Group's operations. IFRS 3 was amended to clarify that (1) an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, and (2) all non-equity contingent consideration, both financial and non-financial, is measured at fair value at each reporting date, with changes in fair value recognised in profit and loss. Amendments to IFRS 3 are effective for business combinations where the acquisition date is on or after 1 July 2014. IFRS 8 was amended to require (1) disclosure of the judgements made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics, and (2) a reconciliation of segment assets to the entity's assets when segment assets are reported. The basis for conclusions on IFRS 13 was amended to clarify that deletion of certain paragraphs in IAS 39 upon publishing of IFRS 13 was not made with an intention to remove the ability to measure short-term receivables and payables at invoice amount where the impact of discounting is immaterial. IAS 16 and IAS 38 were amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. IAS 24 was amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity'), and to require to disclose the amounts charged to the reporting entity by the management entity for services provided. There was no significant impact from adoption of these amendments during the year.

Standards, interpretations and amendments to published standards that are not yet effective

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been issued which are mandatory for the group's accounting periods beginning on or after 1 January 2015 or later periods, but were not effective at the statement of financial position date. The group has assessed the relevance of all such new standards, interpretations and amendments, has determined that the following may be immediately relevant to its operations, and has concluded as follows:

- **IFRS 9, 'Financial Instruments'**, (effective for annual periods beginning on or after 1 January 2018). In July 2014, the IASB issued IFRS 9 which is the comprehensive standard to replace IAS 39 'Financial Instruments: Recognition and Measurement', and includes requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

  Financial assets are required to be classified into three measurement categories: those to be measured subsequently at amortised cost, those to be measured subsequently at fair value through other comprehensive income (FVOCI) and those to be measured subsequently at fair value through profit or loss (FVPL).

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

- **IFRS 9 (continued)** - Classification for debt instruments is driven by the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI). If a debt instrument is held to collect the asset's cash flows, it may be carried at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held in a portfolio where an entity both holds to collect assets' cash flows and sells assets may be classified as FVOCI. Financial assets that do not contain cash flows that are SPPI must be measured at FVPL (for example, derivatives). Embedded derivatives are no longer separated from financial assets but will be included in assessing the SPPI condition. The group is still assessing the potential impact of adoption and whether it should consider early adoption but it is not possible at this stage to quantify the potential effect.

- **IFRS 15, 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 January 2017),** deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and related interpretations. The group is assessing the impact of IFRS 15.

- **IFRS 16, 'Leasing' (effective for annual periods beginning on or after 1 January 2019)** Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. The group is assessing the impact of IFRS 16.

(b) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(i) Subsidiaries (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Transactions and non-controlling interests

The group treats transactions with non-controlling interests as transactions with equity owners of the group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(b) Basis of consolidation (continued)

(iii) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. The group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. In the company's statement of financial position, investments in associates are shown at cost.

The results of associates with financial reporting year-ends that are different from the group are determined by prorating the results for the audited period as well as the period covered by management accounts (in the event that their accounting year ends more than three months prior to 31 December) to ensure that a full year of operations is accounted for, where applicable.

(iv) Joint ventures

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual right and obligations of each investor. The group has assessed the nature of its joint arrangements and has determined them to be joint ventures. The group's interest in the joint ventures are accounted for using the equity accounting method. Under the equity accounting method, investments in joint ventures are carried in the consolidated statement of financial position at cost as adjusted for the post acquisition changes in the group's share of the net assets of the joint venture, less any impairment.

The group's share of its joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. Losses of a joint venture in excess of the group's interest are not recognised unless the group has incurred legal or constructive obligations or made payments on behalf of the joint venture. Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(c) Income recognition

(i) Interest income and expenses

Interest income is recognised in the income statement for all interest bearing instruments on an accrual basis using the effective yield method based on the actual purchase price. Interest income includes coupons earned on fixed income investments and accrued discount or premium on treasury bills and other discounted instruments. When amounts receivable in connection with investments become doubtful of collection, they are written down to their recoverable amounts and interest income is thereafter recognised based on the rate of interest that was used to discount the future cash flows for the purpose of measuring the recoverable amount.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Property income

Revenue comprises the invoiced value of rental and maintenance charges, net of General Consumption Tax, and changes in fair values of investment properties. Rental income and maintenance charges are recognised on an accrual basis over the life of the building occupancy by tenants. Investment properties are valued on an annual basis by external professional valuators and the change in the fair value is recognised in the income statement.

(iv) Commission income

Commissions are recognised as revenue on an accrual basis.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Jamaican dollars, which is also the company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary assets denominated in foreign currencies and classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the asset and other changes. Translation differences resulting from the changes in amortised cost are recognised in the income statement, and other changes are recognised in other comprehensive income.

Except as discussed in Note 2(f) under hedging activities, translation differences on non-monetary items such as equities classified as available-for-sale are recognised in other comprehensive income.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(d) Foreign currency translation (continued)

(iii) Group companies
The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income or separate income statement presented are translated at average exchange rates; and
- All resulting exchange differences are recognized in other comprehensive income.

(e) Taxation

Taxation expense in the income statement comprises current and deferred tax. Current and deferred taxes are recognised as income tax expense or benefit in the income statement except where they relate to items recorded in other comprehensive income or equity, in which case they are also charged or credited to other comprehensive income or equity. Taxation is based on profit for the year adjusted for taxation purposes at rates applicable to the year.

(i) Current taxation
Current tax is the expected taxation payable on the taxable income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable and tax losses in respect of the previous years.

(ii) Deferred income taxes
Deferred tax liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities and their amounts as measured for tax purposes, which will result in taxable amounts in future periods. Deferred tax is provided on temporary differences arising from investments in subsidiaries, except where the timing of reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred tax assets are recognised for temporary differences which will result in deductible amounts in future periods, but only to the extent it is probable that sufficient taxable profits will be available against which these differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset will be realised or the liability will be settled based on rates enacted at the year-end date.

Deferred tax is not recognised on changes in the fair values of investment properties in excess of cost, as it is management’s intention to recover such surplus through sale, which would not attract any taxes.

Deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(f) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets

The group's financial assets comprise cash and bank balances, deposits, investment securities, and accounts receivable including balances due from related parties. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Financial liabilities

The group's financial liabilities comprise bank overdraft, trade payables, loans, finance lease liabilities and other liabilities. They are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest method.

The fair values of the group's and the company's financial instruments are discussed in Note 35.

Hedging activities

The group uses hedge accounting to hedge the foreign exchange risk arising from certain foreign currency denominated equities, which it classifies as available-for-sale. It has designated as the hedging instrument certain foreign currency denominated debt.

The group documents, at the inception of the hedge, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, whether the foreign currency denominated loan that is used in the hedging relationship is highly effective in offsetting changes in the fair values of the available-for-sale equities which are attributed to a movement in the foreign exchange rate.

Once the hedging relationship remains effective, the foreign exchange gains or losses attributed to the available-for-sale equities are recorded in the income statement. If the loan is repaid, or if the hedging relationship becomes ineffective, hedge accounting will cease and the foreign currency translations gains on the available-for-sale equities will revert to being recorded in other comprehensive income.

The group uses debt which is owed by the parent company to hedge the foreign exchange risk on available-for-sale equities owned by its subsidiaries, even in subsidiaries where no foreign currency denominated debt exists. On consolidation, the foreign exchange movements on those equities are recorded in the income statement. In the financial statements of those subsidiaries standing alone those foreign currency movements are recorded as part of the fair value movement in other comprehensive income. During the year the group repaid the debt and effective 1 August 2015 discontinued hedge accounting.

(g) Cash and cash equivalents

Cash and cash equivalents are carried on the statement of financial position at cost. For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise investment securities with less than 90 days maturity from the date of acquisition including cash balances, short term deposits, securities purchased under agreements to resell and bank overdrafts.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Investments

(i) Investment securities

The group classifies its investment securities as available-for-sale, fair value through profit and loss, and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Purchases and sales of investments are recognised on settlement date – the date on which an asset is delivered to or by the group. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Investments are initially recognised at fair value, which is the cash consideration including any transaction costs, for all financial assets not carried at fair value through profit and loss. Financial assets at fair value through profit or loss are recorded at fair value excluding transaction costs, as transaction costs are taken directly to the income statement.

(a) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are carried at fair value. Changes in the fair value of available-for-sale financial assets denominated in the functional currency of the reporting entity are recorded in other comprehensive income, and under investment and other reserves in equity. Changes in the fair value of foreign currency denominated available-for-sale financial assets are discussed in Note 2(d) (ii) & 2(f).

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments previously recognised in other comprehensive income are included in the income statement as investment income.

The group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, objective evidence of impairment includes significant difficulties on the part of the borrower and attempts to restructure the contractual cash flows associated with the debt. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from other comprehensive income and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

The determination of the fair values of financial assets is discussed in Note 35.

(b) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. These assets are subsequently measured at fair value, with the fair value gains or losses being recognised in the income statement.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(h) Investments (continued)

(i) Investment securities (continued)

(c) Loans and receivables

Loans are recognised when cash is advanced to borrowers. They are carried at amortised cost using the effective interest rate method.

A provision for credit losses is established if there is objective evidence that a loan is impaired. A loan is considered impaired when using the criteria for debt securities discussed under available-for-sale securities, management determines that it is probable that all amounts due according to the original contractual terms will not be collected. When a loan has been identified as impaired, the carrying amount of the loan is reduced by recording specific provisions for credit losses to its estimated recoverable amount, which is the present value of expected future cash flows including amounts recoverable from guarantees and collateral, discounted at the original effective interest rate of the loan.

For impaired loans and receivables, the accrual of interest income based on the original terms of the loan is discontinued. IFRS require the increase in the present value of impaired loans due to the passage of time to be reported as interest income.

Write-offs are made when all or part of a loan is deemed uncollectible or in the case of debt forgiveness. Write-offs are charged against previously established provisions for credit losses and reduce the principal amount of a loan. Recoveries in part or in full of amounts previously written-off are credited to the income statement.

(ii) Securities purchased under agreements to resell

Securities purchased under agreements to resell (reverse repurchase agreements) are treated as collateralised financing transactions. The difference between the purchase and resale price is treated as interest and accrued over the life of the agreements using the effective yield method.

(iii) Investment property

Investment property is held for long-term rental yields and is not occupied by the group. Investment property is treated as a long-term investment and is carried at fair value, based on fair market valuation exercises conducted annually by independent qualified valuers. Changes in fair values are recorded in the income statement.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(i) Leases

As lessee

Leases of property, plant and equipment where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and interest charges so as to produce a constant rate of charge on the lease obligation. The interest element of the lease payments is charged to the income statement over the lease period.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

(j) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. If such subsequent cost relates to a replaced part, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives at annual rates, as follows:

Freehold premises	2½%
Leasehold improvements	over the period of the lease
Furniture, fixtures & equipment	5% - 33⅓%
Assets capitalised under finance leases	Life of lease
Motor vehicles	15% - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(k) Inventories

Inventories are valued on the first-in, first-out basis at the lower of cost and net realisable value.

(l) Employee benefits

(i) Pension obligations

The company and its subsidiaries operate a number of defined benefit pension plans, the assets of which are generally held in separate trustee-administered funds. The pension plans are funded by payments from employees and by the relevant companies, taking into account the recommendations of independent qualified actuaries. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The amount recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in expenses.

(ii) Other post-employment benefits

Some group companies provide post-employment healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(iii) Annual leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(l) Employee benefits (continued)

(iv) Equity compensation benefits

The group operates an equity-settled share-based compensation plan. The fair value of the employee services received in exchange for the grant of options or shares is recognised as an expense in the company which is the primary recipient of the employee's services. The total amount expensed over the vesting period is determined by reference to the fair value of the options or shares granted, excluding the impact of any non-market vesting conditions (for example, net profit growth target). Non-market vesting conditions are included in assumptions about the number of options or shares that are expected to become exercisable. At each statement of financial position date, the group reviews its estimates of the number of options or shares that are expected to become exercisable or share grants which will be vested. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised or share grants are vested.

The cost of equity transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award (the vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the income statement for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

(v) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed either to terminate the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve (12) months after the statement of financial position date are discounted to present value.

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

2. Summary of Significant Accounting Policies (Continued)

(m) Impairment of non-financial assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(n) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary/associate at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

At each statement of financial position date an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

(ii) Computer software

Costs incurred to acquire computer software licences are recognised as intangible assets. These costs will be amortised using the straight-line method over their expected useful life of three years commencing in 2016. All other costs associated with maintaining computer programs are recognized as an expense as incurred.

(o) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(p) Dividends

Dividends are recorded as a deduction from stockholders' equity in the period in which they are approved.

(q) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The executive committee that makes strategic decisions is deemed to be the chief operating decision-maker.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes
The group is subject to income taxes mainly in Jamaica. Significant judgement is required in determining the provision for income taxes. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Fair value of financial instruments
The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses its judgement to select a variety of methods and valuation inputs and make assumptions that are mainly based on market conditions existing at each statement of financial position date. The group uses discounted cash flow analyses and references to prices for other instruments that are substantially the same for various available-for-sale financial assets that were not traded in active markets. Details of investment securities valued using other than quoted prices in an active market are provided in Note 35 of the financial statements.

(iii) Impairment of investment securities and investment in associated and joint venture companies
The group follows the guidance of IAS 39, IAS 28 and IAS 36 to determine when an investment security or an investment in an associated or joint venture company is impaired. In making this determination for investment securities, the group evaluates, among other factors, financial difficulties on the part of the borrowers and variations to the contractual cash flows associated with the investment for debt instruments, and the duration for and extent to which the fair value of an available-for-sale equity investment is lower than its cost. For investments in associated and joint venture companies, management determines the investment's recoverable amount, and compares this to the investment's carrying amount. Management's evaluation of the aforementioned factors for debt and equity securities, as well as the determination of the recoverable amount for its investment in associated and joint venture companies requires the use of significant judgement. Except as otherwise disclosed in the notes to the financial statements, management is of the view that there is no impairment to investment securities or investment in associated and joint venture companies.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

(iv) Pension plan assets and post employment obligations

The cost of pension and other post-retirement benefits and the present value of these liabilities depend on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net periodic cost or income for pension and post-employment benefits include the expected long-term rate of return on the relevant plan assets, the discount rate and, in the case of the post-employment medical benefits, the expected rate of increase in medical costs. Any changes in these assumptions will impact the net periodic cost or income recorded for pension and post-employment benefits and may affect planned funding of the pension plans. The expected return on plan assets assumption is determined on a uniform basis, considering long-term historical returns, asset allocation and future estimates of long-term investment returns. The group determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension and post-employment benefit obligations. In determining the appropriate discount rate, the group considers the interest rates of Government of Jamaica bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. The expected rate of increase of medical costs has been determined by comparing the historical relationship of the actual medical cost increases with the rate of inflation in the local economy. Other key assumptions for the pension and post-retirement benefits cost and credits are based in part on current market conditions. A change in any of the assumptions used could have a significant impact on the value of the related retirement benefit asset or liability.

(v) Investment properties

Investment properties are carried in the statement of financial position at market value. The group uses independent qualified property appraisers to value its investment properties annually, generally using the direct capitalisation approach. This approach takes into consideration various assumptions and factors including; the level of current and future occupancy, rent rates, a discount rate, and the current condition of the properties. A change in any of these assumptions and factors could have a significant impact on the valuation of investment properties.

(vi) Value for intangible assets ascribed to investment in associated companies

As required by IFRS, acquisitions of shareholdings in associated companies require the allocation of the purchase price to determine the fair value of the group's share of the net identifiable assets acquired. The determination of these fair values requires the use of various estimates, inclusive of earnings multiples, growth rates and discount factors. It also requires the use of judgement in determining the valuation technique which best suits the particular asset being valued. Should these estimates or valuation methods change, there could be a material change to the carrying value for investment in associated companies.

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

4. Segmental Financial Information

The group is organised into two main business segments:

(a) Investments – This incorporates investment management and securities trading;

(b) Property management and rental – This incorporates the rental and management of commercial real estate.

The operating segments have been determined by management based on the reports reviewed by the executive committee and which are used to make strategic and operational decisions. The property management and investments segments derive their income from rental and property management fees, and interest and dividend income respectively. The group's customers are mainly resident in Jamaica.

	2015				
	Property Management & Rental	Investments	Other Services	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
External operating revenue	1,562,989	166,909	112,409	-	1,842,307
Inter-group revenue	5,737	208,634	881	(215,252)	-
Total revenue	1,568,726	375,543	113,290	(215,252)	1,842,307
Operating profit/(loss)	567,543	(90,712)	97,612	-	574,443
Finance costs	(151,060)	(447,991)	-	102,629	(496,422)
	416,483	(538,703)	97,612	102,629	78,021
Share of results of associated companies and joint ventures	-	3,226,486	-	-	3,226,486
Profit before taxation	416,483	2,687,783	97,612	102,629	3,304,507
Taxation	(27,691)	(9,390)	(13,533)	-	(50,614)
Net profit	388,792	2,678,393	84,079	102,629	3,253,893
Segment assets	6,983,728	3,137,047	460,770	(649,269)	9,932,276
Investment in associated companies and joint venture	156,089	17,781,280	84,516	-	18,021,885
Total assets	7,139,817	20,918,327	545,286	(649,269)	27,954,161
Segment liabilities	1,387,419	4,919,800	196,165	(649,269)	5,854,115
Other segment items:					
Capital expenditure	68,755	-	-	-	68,755
Depreciation	25,306	4,781	-	-	30,087

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

4. Segmental Financial Information (Continued)

	2014				
	Property Management & Rental	Investments	Other Services	Eliminations	Total
	$'000	$'000	$'000	$'000	$'000
External operating revenue	1,678,128	173,839	87,257	-	1,939,224
Inter-group revenue	3,309	110,766	1,813	(115,888)	-
Total revenue	1,681,437	284,605	89,070	(115,888)	1,939,224
Operating profit	697,428	(8,833)	69,495	-	758,090
Finance costs	(163,395)	(427,500)	-	84,249	(506,646)
	534,033	(436,333)	69,495	84,249	251,444
Share of results of associated companies and joint venture	-	2,693,258	-	-	2,693,258
Profit before taxation	534,033	2,256,925	69,495	84,249	2,944,702
Taxation	(91,328)	6,875	(6,270)	-	(90,723)
Net profit	442,705	2,263,800	63,225	84,249	2,853,979
Segment assets	6,773,532	2,467,239	383,973	(376,905)	9,247,839
Investment in associated companies and joint venture	-	17,128,778	36,875	-	17,165,653
Total assets	6,773,532	19,596,017	420,848	(376,905)	26,413,492
Segment liabilities	1,333,464	3,915,869	137,394	(376,905)	5,009,822
Other segment items:					
Capital expenditure	62,789	1,762	-	-	64,551
Depreciation	21,937	4,544	-	-	26,481

Revenue is recognised by each segment on the accrual basis.

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5. Investment Income

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Income				
Interest income -				
Available-for-sale investments	43,100	46,915	15,392	18,343
Loans and receivables	32,242	39,145	162,686	122,205
Securities purchased under agreement to resell and deposits	17,040	28,831	5,894	4,376
Realised gains on disposal of investments, net	127,004	82,921	25,282	63,893
Fair value losses on financial assets at fair value through profit and loss	(51,697)	(54,677)	(12,918)	-
Impairment charge on available-for-sale	(39,117)	(68,937)	(18,969)	(68,937)
Foreign exchange gains	26,174	116,935	66,623	120,003
Dividends	53,375	67,068	1,059,342	863,183
Other	672	3,577	64	12
	208,793	261,778	1,303,396	1,123,078
Direct expenses				
Investment expense	(3,071)	(4,510)	(82)	(357)
	205,722	257,268	1,303,314	1,122,721

6. Property Income

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Rental income (Note 16)	1,253,699	1,349,031	-	-
Fair value gains on property valuation (Note16)	228,995	202,113	-	-
	1,482,694	1,551,144	-	-

Notes to the Financial Statements

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7. Other Income

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Management fees	87,143	63,015	36,052	33,075
Miscellaneous income	10,152	6,393	38	-
	97,295	69,408	36,090	33,075

8. Operating Expenses by Nature

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Direct cost of property management (Note 16)	562,445	650,812	-	-
Staff costs (Note 9)	427,874	302,779	140,430	104,477
Directors fees	13,307	13,289	12,955	12,955
Professional fees	57,397	60,965	32,658	31,055
Auditor's remuneration	17,490	19,429	7,500	8,287
Information technology services	7,172	16,455	4,077	1,316
Office expense	10,669	9,105	2,257	1,841
Public relations, advertising and promotion	2,857	3,162	2,069	2,302
Donations	29,293	23,770	20,820	17,370
Bad debts	9,741	10,612	-	-
Depreciation	30,087	26,481	4,781	4,544
Irrecoverable GCT	24,036	13,147	6,712	7,081
50th Anniversary expenses	21,265	-	21,265	-
Other	54,231	31,128	31,261	21,870
	1,267,864	1,181,134	286,785	213,098

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9. Staff Costs

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Wages and salaries	208,086	186,586	90,603	75,860
Statutory contributions	17,037	15,068	7,129	5,975
Pension – funded (Note 22(a))	133,842	41,835	15,659	358
Pension – unfunded (Note 22(b))	36	31	36	31
Other post-employment benefits (Note 22(c))	17,690	17,776	2,645	3,996
Stock compensation expense (Note 28)	24,900	16,698	12,900	8,241
Other	26,283	24,785	11,458	10,016
	427,874	302,779	140,430	104,477

10. Finance Costs

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Interest expense	434,624	372,524	399,695	326,715
Foreign exchange losses	46,960	131,688	32,813	94,161
Commitment fee	14,838	2,434	11,132	1,932
	496,422	506,646	443,640	422,808

11. Taxation

(a) Composition of tax charge

The taxation charge/(credit) for the year is comprised of:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Current income tax	75,453	93,241	1,053	123
Deferred income taxes (Note 18)	(24,839)	(2,518)	(17,393)	(11,434)
	50,614	90,723	(16,340)	(11,311)

Subject to agreement with the Taxpayer Audit and Assessment Department, one of the group's subsidiaries has losses available for offset against future taxable profits amounting to approximately $36,156,000 (2014 - $36,025,000).

Notes to the Financial Statements

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11. Taxation (Continued)

(b) Reconciliation of applicable tax charges to effective tax charge:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Current income tax				
Profit before tax	3,304,507	2,944,702	608,979	519,890
Tax at 25%	826,127	736,176	152,245	129,973
Adjusted for the effects of:				
Income not subject to tax	(103,333)	(83,955)	(47,181)	(35,604)
Adjustment for income taxed at a different rate	(812)	(888)	(225,639)	(194,703)
Share of associates' and joint venture profit included net of tax	(806,624)	(673,315)	-	-
Expenses not deductible for tax purposes	97,418	92,579	88,612	90,023
Effect of unutilised losses	62,758	4,151	36,567	3,272
Employment tax credit	(17,891)	(20,084)	-	-
Other charges and credits	(7,029)	36,059	(20,944)	(4,272)
Income tax expense/(credit)	50,614	90,723	(16,340)	(11,311)

Income not subject to tax consists principally of property revaluation gains (for the group) and dividend income (for the group and company). Expenses not deductible for tax consist principally of certain interest expense.

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

11. Taxation (Continued)

(c) Tax charge/(credit) relating to components of other comprehensive income is as follows:

	The Group			The Company		
At 31 December 2015	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
Exchange differences on translating foreign operations	6,117	-	6,117	-	-	-
Fair value gains on available-for-sale financial asset, net of gains recycled to profit or loss	(56,075)	1,588	(54,487)	3,584	-	3,584
Re-measurement of post-employment benefit obligation	74,956	(18,739)	56,217	145,626	(36,407)	109,219
Share of other comprehensive income of associated companies	(2,005,316)	-	(2,005,316)	-	-	-
Other comprehensive income	(1,980,318)	(17,151)	(1,997,469)	149,210	(36,407)	112,803
Deferred income tax (Note 18)		(17,151)			(36,407)	

	The Group			The Company		
At 31 December 2014	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**	**Before Tax $'000**	**Tax $'000**	**After Tax $'000**
Exchange differences on translating foreign operations	1,724	-	1,724	-	-	-
Fair value gains on available-for-sale financial asset, net of gains recycled to profit or loss	44,925	(109)	44,816	5,336	-	5,336
Re-measurement of post-employment benefit obligation	184,339	(46,085)	138,254	22,539	(5,635)	16,904
Share of other comprehensive income of associated companies	665,633	-	665,633	-	-	-
Other comprehensive income	896,621	(46,194)	850,427	27,875	(5,635)	22,240
Deferred income tax (Note 18)		(46,194)			(5,635)	

Notes to the Financial Statements

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12. Earnings Per Stock Unit/Net Profit Attributable to Owners of the Parent

The calculation of basic earnings per stock unit (EPS) is based on the net profit attributable to owners of the parent and the weighted average number of stock units in issue during the year, excluding ordinary stock units purchased by the group and held as treasury stock. For the financial year the group had a weighted average of 3,444,000 (2014 – 3,411,000) treasury stock units.

For fully diluted EPS, the weighted average number of stock units in issue is adjusted to assume conversion of all potentially dilutive ordinary stock units. The net profit is also adjusted to reflect the after tax effect of income arising from the conversion of such potential ordinary stock units. At the end of the 2015 and 2014 financial years, there were no potentially dilutive ordinary shares.

	2015	2014
Net profit attributable to stockholders ($'000)	3,186,141	2,842,755
Weighted average number of stock units in issue (thousands)	209,788	209,821
Basic and fully diluted earnings per stock unit ($)	$15.19	$13.55

The net profit of the group is reflected in the records of the company, its subsidiaries, associated companies and joint venture as follows:

	2015	2014
	$'000	$'000
Net Profit		
The company	625,319	531,201
Associated companies and joint venture	2,282,558	1,885,563
Subsidiaries	346,016	437,215
	3,253,893	2,853,979

Net profit attributable to associated companies, subsidiaries and joint venture is shown net of dividends.

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13. Cash and Cash Equivalents

For the purposes of the consolidated and company statement of cash flows, cash and cash equivalents comprise the following balances with original terms to maturity not exceeding 90 days.

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Cash and bank balances	120,123	44,305	7,325	1,516
Deposits	281,304	204,684	27,455	62,703
Securities purchased under agreements to resell (Note 15)	553,900	461,300	294,380	65,329
Bank overdraft	(8,913)	(6,031)	(8,913)	(6,031)
	946,414	704,258	320,247	123,517
Securities purchased under agreements to resell with original terms to maturity exceeding 90 days	(5,560)	(1,429)	(1,212)	(612)
Cash and cash equivalents	940,854	702,829	319,035	122,905

Security for the bank overdraft includes certain specific investments. The effective rate on the overdraft facility was 14.65% (2014 – 14.65%).

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14. Investment Securities

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Financial assets at fair value through profit and loss:				
Debt securities	98,152	123,851	-	-
Equity securities-quoted	364,650	327,961	38,240	-
	462,802	451,812	38,240	-
Available-for-sale at fair value:				
Debt securities -				
Government of Jamaica	84,468	85,666	5,838	5,896
Other Government	60,262	55,722	-	-
Corporate	277,022	307,664	175,645	185,749
Equity securities	868,997	973,816	636,800	722,181
	1,290,749	1,422,868	818,283	913,826
Loans and receivables	386,145	253,223	541,237	441,649

All of the group's financial assets at fair value through profit and loss are held for trading. Included in the available-for-sale securities above is interest receivable amounting to $14,525,000 and $7,169,000 (2014 - $14,679,000 and $7,324,000) for the group and the company respectively.

Certain of the group's and company investment securities were impaired as at 31 December, for which impairment charges totaling $39,117,000 (2014 - $68,937,000) for the group and $18,969,000 (2014 - $68,937,000) for the company were recorded.

Except for $8,375,000 (2014 – nil) all other loans and receivables for the group and the company were all with related parties and include interest receivable of $25,927,000 (2014 - $26,390,000) and $17,339,000 (2014 - $16,243,000) for the group and company respectively.

Investment securities owned by the group with a value of US$800,000 (2014 - US$584,000) have been pledged as security for a margin loan (Note 24) outstanding as at 31 December.

The current portion of investment securities was $156,806,000 (2014 - $41,069,000) for the group and $124,831,000 (2014 - $23,567,000) for the company.

15. Securities Purchased under Agreements to Resell

The group has entered into collateralised reverse repurchase agreements (securities purchased under agreements to resell), which may result in credit exposure in the event that the counterparty to the transaction is unable to fulfill its contractual obligations (Note 13). All amounts were due within 12 months.

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16. Investment Properties

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	4,913,445	4,638,669	-	-
Additions	158	27,009	-	
Transferred from capital work-in-progress (Note 20)	51,471	45,654	-	-
Fair value gains (Note 6)	228,995	202,113	-	-
At 31 December	5,194,069	4,913,445	-	-

Property income and direct expenses including repairs and maintenance in relation to investment properties are as follows:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Rental income (Note 6)	1,253,699	1,349,031	-	-
Direct costs (Note 8)	(562,445)	(650,812)	-	-

The properties were valued at current market value as at 31 December by D.C. Tavares & Finson Realty Limited, independent qualified property appraisers and valuators. The values for the properties have been established using the direct capitalization approach, which uses as key inputs rental income from existing contracts, a vacancy factor which contemplates decrements in rental cash flows consequent on vacancies, and a capitalization rate, reflective of a rate of return.

The fair values of the investment property are at level 3 in the fair value hierarchy, as, consistent with the requirements of IFRS 13, certain of the inputs into the valuation process are deemed to be unobservable; those being the vacancy factor and the capitalisation rate. Management considers the rental rates used in the calculation to be observable as they represent actual rentals which are unadjusted.

The assumptions to which the values are most sensitive are the occupancy levels, as reflected in the vacancy factor and the capitalisation factors. Vacancy factors and capitalization rates used, range from 3.5% to 15.5% (2014 – 3.5% to 14%) and 9.75% to 12.75% (2014 – 9.75% to 12.75%) respectively. Should the vacancy factor used increase/decrease by 0.25% the value of investment properties would decrease/increase by $15,000,000/$14,000,000 (2014 - $21,000,000/$8,000,000). Should the capitalization factor increase/decrease by 1.0% the value of investment properties would decrease/increase by $488,000,000/$410,000,000 (2014 - $456,000,000/$395,000,000).

Certain of the group's investment property has been pledged as collateral for some of the group's loan facilities, as discussed in Note 24.

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures

Investment in subsidiaries

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Subsidiary companies -				
Balance at 1 January	-	-	301,510	301,510
Incorporation and capitalisation	-	-	93,697	-
Balance at 31 December	-	-	395,207	301,510

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company does not differ from the proportion of ordinary shares held. The parent company also owns 100% of the preference shares of the subsidiaries included in the consolidation.

Net profit attributable to non-controlling interest for the year was $67,752,000 (2014 - $11,224,000), of which $32,463,000, (2014 – ($8,113,000)) was attributable to Scotts Preserves Limited and $35,289,000 (2014 - $19,337,000) to Knutsford Holdings Limited.

Summarised financial information for each material subsidiary that has a non-controlling interest.

Summarised statement of financial position

	Knutsford Holdings Limited		Scott's Preserves Limited	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Assets	144,982	97,938	48,754	34,116
Liabilities	(29,377)	(19,896)	(16,193)	(1,238)
Total current net assets	115,605	78,042	71,813	32,878
Non-current				
Assets	611,262	561,123	150,508	150,508
Financial liabilities	(90,581)	(91,098)	(5,879)	(5,871)
Total non-current liabilities	(90,581)	(91,098)	144,629	144,637
Net assets	636,286	548,067	216,442	177,515

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in subsidiaries (continued)

Summarised statement of comprehensive income

	Knutsford Holdings Limited		Scott's Preserves Limited	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Revenue	177,629	150,000	30,000	-
Interest income	7,843	6,291	24,552	24,748
Profit from continuing operations	99,857	60,093	99,610	24,062
Taxation expense	(11,635)	(11,752)	(13,042)	(6,091)
Post tax profit/(loss) from continuing operations	88,222	48,341	86,568	(21,635)
Other comprehensive income	(2)	17	-	-
Total comprehensive income allocated to non-controlling interest	35,289	19,343	32,463	(8,113)

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in subsidiaries (continued)

Summarised cash flows

	Knutsford Holdings Limited		Scott's Preserves Limited	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Cash flows from operating activities				
Cash generated from operations	69,695	54,468	7,639	(680)
Interest paid	(16,651)	(15,195)	-	-
Income tax paid	(12,424)	(11,824)	(6,475)	(7,761)
Net cash provided by/(used in) operating activities	40,620	27,449	1,164	(8,441)
Net cash provided by/(used in) investing activities	2,576	(24,059)	23,722	8,129
Net cash provided by financing activities	-	45,370	258	252
Net increase/(decrease) in cash and cash equivalents	43,196	48,760	25,144	(60)
Effect of exchange rate on cash and cash equivalent	4,683	3,581	631	941
Cash and cash equivalents at beginning of year	92,994	40,653	13,478	12,597
Cash and cash equivalents at end of year	140,873	92,994	39,253	13,478

The information above is the amount before inter-company eliminations.

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Associated companies -				
Sagicor Group Jamaica Limited				
Shareholding at cost	6,661,717	6,661,717	6,661,717	6,661,717
Share of profit	15,979,874	12,926,018	-	-
Dividends received	(5,350,827)	(4,450,920)	-	-
Share of reserves	(1,207,240)	789,076	-	-
Gain on dilution of holding	38,936	38,936	-	-
	16,122,460	15,964,827	6,661,717	6,661,717
Hardware and Lumber Limited				
Shareholding at cost	22,296	22,296	22,296	22,296
Share of profit	185,609	151,513	-	-
Dividends received	(36,293)	(17,935)	-	-
Impairment loss	(85,071)	(85,071)	-	-
Share of capital reserves	155,684	155,684	-	-
	242,225	226,487	22,296	22,296
New Castle Company Limited				
Shareholding at cost	177,523	177,523	177,523	177,523
Share of profit	137,867	77,159	-	-
Dividends received	(27,823)	(16,172)	-	-
	287,567	238,510	177,523	177,523
Impan Properties Limited				
Shareholding at cost	20	20	-	-
Share of profit	58	58	-	-
Share of capital reserve	7,945	7,945	-	-
Current account	(8,517)	(8,653)	-	-
	(494)	(630)	-	-
Caribe Hospitality Jamaica Limited				
Shareholding at cost	375,001	375,001	375,001	375,001
Share of loss	(40,813)	(30,575)	-	-
	334,188	344,426	375,001	375,001

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies (continued)

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Chukka Caribbean Adventures Limited				
Shareholding at cost	345,855	345,855	345,855	345,855
Share of profit	90,255	41,984	-	-
Dividends received	(46,699)	(32,681)	-	-
	389,411	355,158	345,855	345,855
Downing Street Realty Fund II Ltd Partnership				
Shareholding at cost	181,000	-	-	-
Share of profit	518	-	-	-
	181,518	-	-	-
Downing Street Realty Fund V Ltd Partnership				
Shareholding at cost	219,360	-	-	-
Share of profit	5,045	-	-	-
	224,405	-	-	-
	17,781,280	17,128,778	7,582,392	7,582,392
Comprising:				
Share of net assets	15,913,060	15,224,258	-	-
Intangibles assets (including goodwill)	1,868,220	1,904,520	-	-
	17,781,280	17,128,778	-	

A portion of the group's shareholding in Sagicor Group Jamaica Limited has been pledged as collateral for loan liabilities, as discussed in Note 24 of the financial statements.

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies (continued)

The group's associated companies, Sagicor Group Jamaica Limited and Hardware and Lumber Limited are listed on the JSE. The JSE indicative values based on closing bids for these companies at 31 December are listed in the tables below.

	The Group			
	Carrying Value	JSE Indicative Value	Carrying Value	JSE Indicative Value
	2015	2015	2014	2014
	$'000	$'000	$'000	$'000
Sagicor Group Jamaica Limited	16,122,460	24,654,985	15,964,827	12,950,167
Hardware and Lumber Limited	242,225	226,936	226,487	126,469

	The Company			
	Carrying Value	JSE Indicative Value	Carrying Value	JSE Indicative Value
	2015	2015	2014	2014
	$'000	$'000	$'000	$'000
Sagicor Group Jamaica Limited	6,661,717	24,654,985	6,661,717	12,950,167
Hardware and Lumber Limited	22,296	226,936	22,296	126,469

Subsequent to the year-end 2015 the company accepted an offer of $18.50 per stock unit for the purchase of its 20.83% shareholding in Hardware and Lumber Limited.

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies (continued)

The summarised information for associates that were accounted for using the equity method for the years ended 31 December 2015 and 2014 is as presented in the tables below. The summarized financial information reflects balances which are due to the equity holders of the companies.

Summarised statement of financial position

	Sagicor Group Jamaica Limited	Hardware & Lumber Limited	New Castle Company Limited	Chukka Caribbean Adventures Limited	Caribe Hospitality Jamaica Limited	Downing Street Fund II	Downing Street Fund V
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015							
Current							
Cash and cash equivalents	14,079,867	201,176	200,940	62,240	25,981	85,307	1,157
Other current assets	21,248,974	2,546,040	566,738	594,014	98,999	14,225	233
Total current assets	35,328,841	2,747,216	767,678	656,254	124,980	99,532	1,390
Financial liabilities (excluding trade payables)	(160,301,299)	(131,643)	(10,856)	(596,865)	(262,729)	(18,598)	(2,701)
Other current liabilities (including trade payables)	(17,568,092)	(1,506,709)	213,699	(355,813)	(35,420)	-	-
Total current liabilities	(177,869,391)	(1,638,352)	224,555	(952,678)	(298,149)	(18,598)	(2,701)
Non-current							
Assets	266,724,821	818,585	621,032	2,015,621	3,011,877	707,417	351,477
Financial liabilities	(77,604,633)	(25,000)	(5,394)	(944,004)	(1,446,885)	(299,790)	-
Other liabilities	-	(478,267)	(8,494)	(12,559)	(196,208)	-	-
Total non-current liabilities	(77,604,633)	(503,267)	(13,888)	(956,563)	(1,643,093)	(299,790)	-
Net assets	46,579,638	1,424,182	1,150,267	762,634	1,195,616	488,561	350,166

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies (continued)

Summarised statement of financial position (continued)

	Sagicor Group Jamaica Limited	Hardware & Lumber Limited	New Castle Company Limited	Chukka Caribbean Adventures Limited	Caribe Hospitality Jamaica Limited
	$'000	$'000	$'000	$'000	$'000
2014					
Current					
Cash and cash equivalents	21,073,597	152,015	83,978	96,109	268,186
Other current assets	21,632,948	2,422,326	454,155	437,445	91,815
Total current assets	42,706,545	2,574,341	538,133	533,554	360,001
Financial liabilities (excluding trade payables)	(156,428,585)	(120,089)	(8,421)	(378,372)	(166,042)
Other current liabilities (including trade payables)	(10,420,099)	(1,348,340)	(177,786)	(238,347)	(170,437)
Total current liabilities	(166,848,684)	(1,468,429)	(186,207)	(616,719)	(336,479)
Non-current					
Assets	241,250,213	790,467	787,750	1,800,612	1,930,426
Financial liabilities	(71,142,860)	(125,000)	(145,605)	(975,077)	(726,489)
Other liabilities	-	(346,802)	(40,033)	(5,279)	-
Total non-current liabilities	(71,142,860)	(471,802)	(185,638)	(980,356)	(726,489)
Net assets	45,965,214	1,424,577	954,038	737,091	1,227,459

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies (continued)

Summarised statement of comprehensive income (continued)

	Sagicor Group Jamaica Limited	Hardware & Lumber Limited	New Castle Company Limited	Chukka Caribbean Adventures Limited	Caribe Hospitality Jamaica Limited	Downing Street Fund II	Downing Street Fund V
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015							
Revenue	54,998,042	7,442,223	1,309,940	3,302,934	50,860	3,995	11,171
Depreciation and amortisation	767,082	(53,495)	22,505	210,090	8,022	-	-
Net investment/Interest income	16,301,588	4,354	13,132	-	(8,869)	-	-
Profit/(loss) from continuing operations	11,611,923	196,911	242,832	241,357	(25,841)	3,596	8,471
Taxation expense	(1,910,469)	(33,226)	-	-	-	-	-
Post tax profit/(loss) from continuing operations	9,793,445	163,685	242,832	241,357	(25,841)	3,596	8,471
Other comprehensive income	(6,353,307)	(75,962)	-	-	-	-	-
Total comprehensive income	3,437,023	87,723	242,832	241,357	(25,841)	3,596	8,471
Dividends received from associate	899,907	18,358	11,651	14,018	-	-	-
2014							
Revenue	45,630,223	7,137,578	1,110,051	2,993,338	-	-	-
Depreciation and amortisation	1,014,488	(51,975)	19,002	167,392	-	-	-
Net investment/Interest income	12,552,316	35,262	5,401	-	-	-	-
Profit/(loss) from continuing operations	8,861,626	254,728	50,304	126,941	(36,845)	-	-
Taxation expense	(298,508)	(37,412)	-	-	-	-	-
Non-controlling interest	(50,339)	-	-	-	-	-	-
Post tax profit/(loss) from continuing operations	8,512,779	217,316	50,304	126,941	(36,845)	-	-
Other comprehensive income	2,108,876	56,408	-	-	-	-	-
Total comprehensive income	10,621,655	273,724	50,304	126,941	(36,845)	-	-
Total comprehensive income allocated to non-controlling interest	115,656	-	-		-	-	-
Dividends received from associate	776,632	5,389	11,319	14,354	-	-	-

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies (continued)

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of its interest in associates is shown in the table below. The amounts shown in the table are the amounts attributable to the equity holders of the associated companies.

	Sagicor Group Jamaica Limited	Hardware & Lumber Limited	New Castle Company Limited	Chukka Caribbean Adventures Limited	Caribe Hospitality Jamaica Limited	Downing Street Fund II	Downing Street Fund V
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2015							
Opening net assets at 1 January	45,965,214	1,424,577	954,038	737,091	1,227,458	330,395	-
Capital contributions	-				-	181,000	368,343
Profit or loss for the period	9,790,330	163,685	242,832	241,357	(25,851)	3,596	8,471
Other comprehensive income	(6,353,307)	(75,962)	-	-		-	-
Change in reserves	28,514	-	-	-	(5,991)	-	-
Adjustment	-	-	-	(152,526)	-	-	-
Dividends paid	(2,851,113)	(88,118)	(46,603)	(69,384)		-	-
Translation gains/(losses)				6,096	-	(26,430)	(26,648)
Closing net assets at 31 December	46,579,638	1,424,182	1,150,267	762,634	1,195,616	488,561	350,166
Interest in associate (%)	31.56%	20.83%	25.00%	20.00%	32.15%	34.60%	59.55%
Interest in associate (J$)	14,701,931	296,657	287,567	152,527	384,422	169,052	208,535
Adjustment for pre-acquisition goodwill	(200,041)	-	-	(53,538)	-	-	-
Impairment	-	(85,071)	-	-	-	-	-
Other adjustments	20,988	30,639	-	(8,722)	(50,234)	8,419	15,871
Goodwill	1,599,581	-	-	299,144	-	4,047	-
Carrying value	16,122,460	242,225	287,567	389,411	334,188	181,518	224,405

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in associated companies (continued)

	Sagicor Group Jamaica Limited	Hardware & Lumber Limited	New Castle Company Limited	Chukka Caribbean Adventures Limited	Caribe Hospitality Jamaica Limited
	$'000	$'000	$'000	$'000	$'000
2014					
Opening net assets at 1 January	35,925,841	1,176,722	949,010	621,110	666,001
Capital contributions	1,306,127	-	-	-	549,233
Profit or loss for the period	8,563,118	217,316	50,304	126,941	(36,845)
Other comprehensive income	2,058,537	56,408	-	-	-
Change in reserves	521,516	-	-	-	49,070
Dividends paid	(2,409,925)	(25,869)	(45,276)	(72,294)	-
Translation gains	-	-	-	61,334	-
Closing net assets at 31 December	45,965,214	1,424,577	954,038	737,091	1,227,459
Interest in associate (%)	31.56%	20.83%	25.00%	20.00.%	32.15%
Interest in associate (J$)	14,506,621	296,740	238,510	147,418	394,628
Adjustment for pre-acquisition goodwill	(200,041)	-	-	(53,538)	-
Impairment	-	(85,071)	-	-	-
Other adjustments	22,366	14,818	-	(7,361)	(50,202)
Goodwill	1,635,881	-	-	268,639	-
Carrying value	15,964,827	226,487	238,510	355,158	344,426

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in Joint Ventures

Through its subsidiary Scotts Preserves Limited, the group owns 50% of Mavis Bank Coffee Factory Limited ("Mavis Bank"), a company that processes and sells Jamaican Blue Mountain coffee. The Group also owns 50% of Kingchurch Property Holdings Limited ("Kingchurch"), a company that develops and manages property.

There are no contingent liabilities relating to the group's interest in joint venture.

The company's investment in joint venture is as follows:

	2015 $'000	2014 $'000
Mavis Bank		
Shareholding at cost	15,568	15,568
Share of profit	68,948	21,307
	84,516	36,875
Kingchurch		
Shareholding at cost	169,500	-
Share of loss	(13,411)	-
	156,089	-
	240,605	36,875

The summarised information for joint ventures that were accounted for using the equity method for the years ended 31 December 2015 and 2014 is as follows:

Summarised statement of financial position

	Mavis Bank		Kingchurch	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Current				
Cash and cash equivalents	48,276	50,768	64,026	-
Other current assets	486,439	358,263	61,766	-
Total current assets	534,715	409,031	125,792	-
Financial liabilities (excluding trade payables)	238,588	247,208	382,658	-
Other current liabilities (including trade payables)	208,861	137,100	33,361	-
Total current liabilities	447,449	384,308	416,019	-
Non-current				
Assets	284,226	312,109	602,405	-
Financial liabilities	714	5,000	-	-
Other liabilities	201,746	258,082	-	-
Total non-current liabilities	202,460	263,082	-	-
Net assets	169,032	73,750	312,178	-

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17. Investment in Subsidiaries, Associated Companies and Joint Ventures (Continued)

Investment in Joint Ventures (continued)

Summarised statement of comprehensive income

	Mavis Bank		Kingchurch	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Revenue	1,101,583	816,539	23,736	-
Depreciation and amortisation	23,106	27,425	1,407	-
Interest income	665	532	1,166	-
Post tax profit/(loss) from continuing operations	95,282	(79,212)	(26,822)	-

Reconciliation of summarised financial information

A reconciliation of summarised financial information presented to the carrying amount of its interest in joint venture is shown in the table below

	Mavis Bank		Kingchurch	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Opening net assets at 1 January	73,750	152,962	-	-
Net assets acquired during the year	-	-	339,000	-
Profit/(loss) for the year	95,282	(79,212)	(26,822)	-
Closing net assets at 31 December	169,032	73,750	312,178	-
Interest in joint venture (%)	50%	50%	50%	-
Carrying value	84,516	36,875	156,089	-

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18. Deferred Income Taxes

Deferred income taxes are calculated on all temporary differences under the liability method using an effective tax rate of 25%.

Deferred tax assets and liabilities recognised on the statement of financial position are as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Deferred tax assets	4,281	23,296	54,517	70,440
Deferred tax liabilities	(54,319)	(81,022)	(50,341)	(47,250)
Net (liability)/asset	(50,038)	(57,726)	4,176	23,190

The gross movement on the deferred income tax balance is as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Balance at 1 January	(57,726)	(14,050)	23,190	17,391
Tax credited to income statement (Note 11)	24,839	2,518	17,393	11,434
Tax charged to components of other comprehensive income (Note 11)	(17,151)	(46,194)	(36,407)	(5,635)
Balance at 31 December	(50,038)	(57,726)	4,176	23,190

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18. Deferred Income Taxes (Continued)

The movement in deferred income tax assets and liabilities during the year is as follows:

	The Group						
	Pension and other post employment benefits $'000	Interest payable $'000	Stock compensation provision $'000	Unutilised tax losses $'000	Unrealised Foreign Exchange Loss $'000	Other $'000	Total $'000
Deferred income tax assets							
At 1 January 2014	91,226	11,109	17,011	2,270	31,115	8,279	161,010
Credited/(charged) to the income statement	21,687	(3,118)	1,905	(585)	4,828	836	25,553
At 31 December 2014	112,913	7,991	18,916	1,685	35,943	9,115	186,563
Credited/(charged) to the income statement	69,193	19,759	3,336	(675)	(36,864)	(461)	54,288
At 31 December 2015	182,106	27,750	22,252	1,010	(921)	8,654	240,851

	The Group						
	Property, plant and equipment $'000	Pension benefits $'000	Investment property $'000	Interest receivable $'000	Unrealised foreign exchange gains $'000	Investment securities $'000	Total $'000
Deferred income tax liabilities							
At 1 January 2014	510	8,899	118,704	11,688	30,428	4,831	175,060
Charged/(credited) to the income statement	54	4,146	11,444	(853)	4,378	3,866	23,035
Charged to other comprehensive income	-	46,085	-	-	-	109	46,194
At 31 December 2014	564	59,130	130,148	10,835	34,806	8,806	244,289
Charged/(credited) to the income statement	10,669	(418)	(68)	6,863	4,204	8,199	29,449
Charged/(credited) to other comprehensive income	-	18,739	-	-	-	(1,588)	17,151
At 31 December 2015	11,233	77,451	130,080	17,698	39,010	15,417	290,889

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18. Deferred Income Taxes (Continued)

The movement in deferred income tax assets and liabilities during the year is as follows:

	The Company					
	Pension and other post retirement benefits $'000	Interest Payable $'000	Other $'000	Unrealised foreign exchange losses $'000	Stock compensation provision $'000	Total $'000
Deferred income tax assets						
At 1 January 2014	17,664	6,279	50	27,512	4,049	55,554
Credited/(charged) to income statement	11,882	(2,325)	268	10,905	(209)	20,521
Charged to statement of comprehensive income	(5,635)	-	-	-	-	(5,635)
At 31 December 2014	23,911	3,954	318	38,417	3,840	70,440
Credited/(charged) to income statement	36,687	18,920	69	(38,417)	3,225	20,484
Charged to statement of comprehensive income	(36,407)	-	-	-	-	(36,407)
At 31 December 2015	24,191	22,874	387	-	7,065	54,517

	The Company				
	Property, plant and equipment $'000	Pension benefits $'000	Interest receivable $'000	Unrealised foreign exchange gains $'000	Total $'000
Deferred income tax liabilities					
At 1 January 2014	511	8,899	6,928	21,825	38,163
Charged/(credited) to income statement	54	296	(1,003)	9,740	9,087
At 31 December 2014	565	9,195	5,925	31,565	47,250
Charged/(credited) to income statement	(490)	(418)	5,185	(1,186)	3,091
At 31 December 2015	75	8,777	11,110	30,379	50,341

Deferred income tax liabilities have not been established for the potential distribution of the unappropriated profits of subsidiaries as such distributions are not subject to tax.

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18. Deferred Income Taxes (Continued)

The amounts shown in the statement of financial position include the following:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Deferred tax assets to be recovered after more than 12 months	204,358	131,729	31,256	27,750
Deferred tax assets to be recovered within 12 months	36,493	54,834	23,261	42,690
	240,851	186,563	54,517	70,440
Deferred tax liabilities to be settled after more than 12 months	207,531	189,278	8,777	9,196
Deferred tax liabilities to be settled within 12 months	83,358	55,011	41,564	38,054
	(290,889)	(244,289)	(50,341)	(47,250)
Net (liability)/assets	(50,038)	(57,726)	4,176	23,190

19. Prepayment and Miscellaneous Assets

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Trade receivables	75,690	33,955	-	-
Inventories	2,789	2,436	-	-
Managed properties fees receivable	59,521	42,504	-	-
Prepaid expenses	30,499	42,292	1,443	10,440
Other receivables	242,668	207,033	29,313	15,670
Deposits	112,754	66,475	2,818	28,144
Land awaiting development	714,172	711,710	-	-
	1,238,093	1,106,405	33,574	54,254

The current portion of miscellaneous assets amounted to $521,132,000 (2014 - $385,233,000) for the Group and $33,574,000 (2014 - $47,493,000) for the company.

Included in other receivables are amounts due from related parties totaling $38,787,000 (2014 - $24,975,000) for the group and $21,312,000 (2014 - $7,500,000) for the company.

Land awaiting development comprises properties owned by the group which the group intends to develop for resale.

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20. Property, Plant and Equipment

		The Group						
		Freehold Premises	Leasehold Improvements	Furniture, Fixtures & Equipment	Assets Capitalised under Finance Leases	Motor Vehicles	Capital Work in Progress	Total
	Note	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At Cost -								
1 January 2014		65,964	14,325	274,542	22,280	42,885	23,489	443,485
Additions		-	-	11,426	3,924	5,389	43,812	64,551
Disposals		-	-	-	(8,373)	(1,850)	-	(10,223)
Transfers	16	-	-	-			(45,653)	(45,653)
31 December 2014		65,964	14,325	285,968	17,831	46,424	21,648	452,160
Additions		-	-	1,846	-	8,900	58,009	68,755
Transfers	16	-	-	25,045	-	-	(76,516)	(51,471)
31 December 2015		65,964	14,325	312,859	17,831	55,324	3,141	469,444
Accumulated Depreciation -								
1 January 2014		10,091	9,711	47,021	6,485	31,334	-	104,642
Charged for year		1,269	-	14,800	874	9,538	-	26,481
Relieved on disposal		-	-	-	(4,699)	(1,850)	-	(6,549)
31 December 2014		11,360	9,711	61,821	2,660	39,022	-	124,574
Charged for year		723	67	18,174	874	10,249	-	30,087
31 December 2015		12,083	9,778	79,995	3,534	49,271	-	154,661
Net Book Value -								
31 December 2015		53,881	4,547	232,864	14,297	6,053	3,141	314,783
31 December 2014		54,604	4,614	224,147	15,171	7,402	21,648	327,586

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20. Property, Plant and Equipment (Continued)

	The Company				
	Leasehold Improvements	Furniture & Fixtures	Assets Capitalised under Finance Leases	Motor Vehicles	Total
	$'000	$'000	$'000	$'000	$'000
At Cost -					
1 January 2014	199	9,552	12,194	16,099	38,044
Additions	-	1,762	-	-	1,762
31 December 2014 and 2015	199	11,314	12,194	16,099	39,806
Accumulated Depreciation -					
1 January 2014	199	4,256	8,918	7,912	21,285
Charged for the year	-	642	874	3,028	4,544
31 December 2014	199	4,898	9,792	10,940	25,829
Charged for the year	-	878	874	3,030	4,782
31 December 2015	199	5,776	10,666	13,970	30,611
Net Book Value -					
31 December 2015	-	5,538	1,528	2,129	9,195
31 December 2014	-	6,416	2,402	5,159	13,977

21. Intangibles

A subsidiary of the Group purchased property management solution software licences during the year in the amount of $60,437,000. These costs will be amortised using the straight-line method over their expected useful life.

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22. Retirement Benefits

The company and its subsidiaries have established a number of pension schemes covering all permanent employees. The assets of funded plans are held independently of the group's assets in separate funds administered by the company. Defined benefit plans are valued by independent actuaries annually, using the projected unit credit method.

The latest actuarial valuations were carried out as at 31 December 2015.

The Trustees are responsible for reviewing the investment portfolio mix of the plans to ensure that the assets are invested efficiently whilst maintaining the prescribed limits as set by the Regulator, within each portfolio class. The Trustees also ensures that the funding contributions are within acceptable levels.

The amounts recognised in the statement of financial position comprise:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Assets				
(Note 22(a))	-	21,052	223,790	95,644
Liabilities				
Funded pension obligations (Note 22(a))	28,078	-	-	-
Unfunded pension obligations (Note 22(b))	537	528	537	528
Other (Note 22(c))	155,003	133,330	34,693	36,254
	183,618	133,858	35,230	36,782

The expense recognised in the income statement comprises:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Pension obligations - funded (Note 22(a))	133,842	41,835	15,659	358
Pension obligations – unfunded (Note 22(b))	36	31	36	31
Other post-employment obligations:				
Medical and life insurance (Note 22(c))	17,690	17,776	2,645	3,996
	151,568	59,642	18,340	4,385

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31 December 2015

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22. Retirement Benefits (Continued)

(a) Funded pension obligations

The amounts recognised in the statement of financial position are determined as follows:

	The Group		The Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Present value of funded obligations	962,926	628,185	260,341	194,767
Fair value of plan assets	(1,039,744)	(867,048)	(589,027)	(508,222)
	(76,818)	(238,863)	(328,686)	(313,455)
Unrecognised asset due to asset ceiling	104,896	217,811	104,896	217,811
Liability/(asset) in the statement of financial position	28,078	(21,052)	(223,790)	(95,644)

Sagicor Group Jamaica Limited, an associated company which manages the group's pension fund assets, has invested through its pooled investment funds in ordinary stock units of the company with a fair value of $2,241,779,000 (2014 – $1,405,345,000).

The company has submitted a windup proposal for one of its pension plans to the Financial Services Commission and is awaiting approval.

During 2015 the Trustees approved the upgrade of benefits to the members of the pension plans. The expenses associated with this benefit upgrade are accounted for in the 2015 financial statements.

The movement in the defined benefit obligation over the year is as follows:

	The Group		The Company	
	2015 $'000	**2014 $'000**	**2015 $'000**	**2014 $'000**
Balance at beginning of year	628,185	697,312	194,767	189,005
Current service cost	21,806	31,543	5,770	6,495
Interest cost	50,955	57,938	10,084	15,141
	700,946	786,793	210,621	210,641
Re-measurements -				
Loss from change in financial assumptions	90,013	-	19,233	-
Experience losses/(gains)	49,393	(156,786)	11,760	(11,096)
	139,406	(156,786)	30,993	(11,096)
Members' contributions	19,915	16,387	5,135	3,612
Benefits paid	(17,615)	(26,155)	(3,585)	(8,390)
Past service cost	113,002	-	17,177	-
Purchased annuities	7,272	7,946	-	-
Balance at end of year	962,926	628,185	260,341	194,767

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31 December 2015

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22. Retirement Benefits (Continued)

(a) Funded pension obligations (continued)

The movement in the fair value of plan assets over the year is as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Balance at beginning of year	867,048	755,691	508,222	453,956
Interest income	29,630	23,106	29,630	23,106
Re-measurements -				
Return on plan assets, excluding amounts included in interest income	40,579	40,891	6,030	14,523
Gain from change in financial assumptions	4,851	-	3,130	-
Experience gains	85,870	31,343	39,957	17,923
Members' contributions	19,915	16,387	5,135	3,612
Employer's contributions	2,194	17,839	508	3,492
Benefits paid	(17,615)	(26,155)	(3,585)	(8,390)
Purchased annuities	7,272	7,946	-	-
Balance at end of year	1,039,744	867,048	589,027	508,222

The actual return on plan assets for 2015 was $160,421,000 and $84,370,000 (2014 – $106,451,000 and $61,379,000) for the group and the company, respectively.

The expected employer and members contributions for the year 2016 are $36,546,000 for the group and $5,947,000 for the company.

The movement on the asset ceiling during the year is as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Balance at beginning of year	217,811	194,294	217,811	194,294
Change in asset ceiling, excluding amounts included in interest expense	18,288	16,350	18,288	16,350
Re-measurement	(131,203)	7,167	(131,203)	7,167
	104,896	217,811	104,896	217,811

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22. Retirement Benefits (Continued)

(a) Funded pension obligations (continued)

The amounts recognised in the income statement are as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Recognised past service cost	113,002	-	17,177	-
Current service cost	21,806	31,543	5,770	6,495
Interest (credit)/cost	(966)	10,292	(7,288)	(6,137)
Total	133,842	41,835	15,659	358

The principal actuarial assumptions used were as follows:

	The Group		The Company	
	2015 %	2014 %	2015 %	2014 %
Discount rate	8.5	9.5	8.5	9.5
Future salary increases	8.0	8.0	8.5	8.0
Future pension increases	2.5	2.0	2.5	2.0

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22. Retirement Benefits (Continued)

(a) Funded pension obligations (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Increase/(decrease) in post-employment obligations		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
Discount rate	1%	(145,095)	190,413
Future salary increases	1%	61,166	(52,573)
Future pension increases	1%	87,310	(74,300)

	Increase Assumption by One Year	**Decrease Assumption by One Year**
Life expectancy	10,989	(11,301)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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22. Retirement Benefits (Continued)

(b) Unfunded pension obligations

The amounts recognised in the statement of financial position are determined as follows:

	The Group and Company	
	2015 $'000	**2014 $'000**
Present value of unfunded obligations	537	528

The movement in the liability recognised in the statement of financial position is as follows:

	The Group and Company	
	2015 $'000	**2014 $'000**
Balance at beginning of year	528	391
Current service cost	36	31
	564	422
Re-measurements -		
Experience losses	32	106
	32	106
Benefits paid	(59)	-
Balance at end of year	537	528

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22. Retirement Benefits (Continued)

(c) Other post-employment obligations

In addition to pension benefits, the company and certain subsidiaries offer retirees medical and life insurance benefits that contribute to the health care and life insurance coverage of employees and beneficiaries after retirement. The method of accounting and frequency of valuations are similar to those used for defined benefit pension schemes.

The main actuarial assumption is a long-term increase in health costs of 8% per year (2014 – 9%).

Other assumptions were as for the pension plans set out above.

The amounts recognised in the statement of financial position are determined as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Present value of unfunded obligations	155,003	133,330	34,693	36,254

The movement in the defined benefit obligation over the year is as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Balance at beginning of year	133,330	122,881	36,254	35,206
Benefit expense	7,282	8,112	1,380	2,583
Re-measurement recognised in OCI	3,086	11,314	(6,057)	3,063
Employers contribution	(25)	(1,709)	(25)	(1,709)
Re-measurements -				
Loss from change in financial assumptions	25,718	-	2,428	-
Experience (gains)/losses	(10,985)	(5,074)	2,415	(2,383)
Benefits paid	(3,403)	(2,194)	(1,702)	(506)
Balance at end of year	155,003	133,330	34,693	36,254

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22. Retirement Benefits (Continued)

(c) Other post-employment obligations (continued)

The expense recognised in the income statement is as follows:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Current service cost	6,603	6,284	701	755
Interest cost	11,087	11,492	1,944	3,241
Total, included in staff costs (Note 9)	17,690	17,776	2,645	3,996

The effects of a 1% movement in the assumed medical cost trend rate were as follows:

	Change in Assumption	
	Increase	**Decrease**
	$'000	**$'000**
(Decrease)/increase in the defined benefit obligation	(26,985)	35,472

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22. Retirement Benefit (Continued)

Plan assets for the post-employment benefits are comprised as follows:

	The Group			
	2015		2014	
	$'000	%	$'000	%
Equity	35,343	3	85,397	10
Debt	81,407	8	78,563	9
Unitised investments	922,994	89	703,088	81
	1,039,744	100	867,048	100

	The Company			
	2015		2014	
	$'000	%	$'000	%
Equity	19,311	3	75,654	15
Debt	-	-	78,563	15
Unitised investments	569,716	97	354,005	70
	589,027	100	508,222	100

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22. Retirement Benefits (Continued)

Through its defined benefit pension plans and post-employment medical plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to Government of Jamaica bond yields; if plan assets underperform this yield, this will reduce the surplus or create a deficit with respect to the net assets available for benefits.

As the plan matures, the Group intends to reduce the level of investment risk by investing more in assets that better match the liabilities. The Government bonds largely represent investments in Government of Jamaica securities.

However, the Group believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of the group's long term strategy to manage the plans efficiently. See below for more details on the Group's asset-liability matching strategy.

Changes in bond yields

A decrease in Government of Jamaica bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk

Higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). A high percentage of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will reduce the surplus or create a deficit.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant, where inflationary increases result in higher sensitivity to changes in life expectancy.

The group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension scheme. Within this framework, the group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The group has not changed the processes used to manage its risks from previous periods. The group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

Funding levels are monitored on an annual basis and the current contribution rates are between 2% and 10% of pensionable salaries. The last valuation was completed effective 30 April 2015. The group considers the contribution rates to be sufficient to prevent a deficit and that the plans are adequately funded.

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23. Related Party Balances and Transactions

(a) The statements of financial position include the following balances with related parties and companies:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Amounts due from related parties:				
First Jamaica Employees Share Purchase Plan	-	-	-	10,691
Subsidiaries:				
Busha Browne's Company Limited	-	-	12,176	11,706
Portfolio Partners Limited	-	-	1,348	-
Castleton Investments Limited	-	-	934,712	528,939
Jamaica Property Company Limited	-	-	311,841	-
Jamaica Property Development Limited	-	-	5	5
Scott's Preserves Limited	-	-	506	252
PJ-AL Corp Limited	-	-	157,035	-
Simcoe Investments Limited	-	-	1,495	-
	-	-	1,419,118	551,593
Amounts due to related parties:				
First Jamaica Employees Share Purchase Plan	-	-	10,997	-
Subsidiaries:				
Jamaica Property Company Limited	-	-	-	31,667
Portfolio Partners Limited	-	-	-	264
Panacea Holdings Limited	-	-	1,944	41,587
Panacea Insurance Limited	-	-	70	-
	-	-	13,011	73,518
Net asset	-	-	1,406,107	478,075

The current portion of amounts due from related parties was $52,705,000 (2014 - $161,165,000) and to related parties was $13,011,000 (2014 - $39,483,000) for the company.

Other balances with related parties are discussed in Notes 14, 17 and 19, which deal with "investment securities", "investments in subsidiaries, associated companies and joint ventures" and "prepayments and miscellaneous assets" respectively.

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23. Related Party Transactions and Balances (Continued)

(b) The consolidated and company income statements include the following transactions with related parties:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Subsidiaries -				
Management fees	-	-	36,052	33,075
Interest income	-	-	153,880	106,684
Interest expense	-	-	881	(3,747)
Associated companies -				
Dividend income	-	-	1,014,738	807,694
Other related parties -				
Rental income	87,143	130,314	-	-
Interest and other income earned	7,269	10,078	2,724	3,791
Interest and other expenses incurred	(4,911)	(4,685)	(1,114)	(3,162)
Other expenses	(13,436)	(14,546)	(10,818)	(12,150)

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23. Related Party Transactions and Balances (Continued)

(c) Key management compensation:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Salaries and other short-term employee benefits	127,899	116,090	68,148	57,335
Statutory contributions	12,104	10,998	6,449	5,499
Post-employment benefits	58,050	18,221	13,111	745
Share-based compensation	24,900	16,698	12,900	8,241
	222,953	162,007	100,608	71,820

Directors emoluments				
Directors Fees	13,307	13,289	12,955	12,955
Management compensation(included above)	66,455	69,089	33,357	41,221
	79,762	82,378	46,312	54,176

(d) Loans from related parties

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year	32,383	7,244	-	1,907
New loans	100,247	140,580	100,247	110,000
Repayments	(103,755)	(115,441)	(100,247)	(111,907)
Interest charged	3,481	4,685	823	3,162
Interest paid	(3,481)	(4,685)	(823)	(3,162)
	28,875	32,383	-	-

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

24. Loan Liabilities

	Currency	Rate	Repayable	The Group	
				2015	2014
		%		$'000	$'000
Secured -					
(i) CIBC First Caribbean International Bank Limited	J$	10.50	2017	19,999	31,077
(ii) CIBC First Caribbean International Bank Limited	J$	10.50	2020	18,321	22,179
(iii) Sagicor Bank Jamaica Ltd	J$	13.25	2016	995	1,951
(iv) Sagicor Bank Jamaica Ltd	J$	10.50	2018	2,122	2,752
(v) Sagicor Bank Jamaica Ltd/DBJ	J$	8.00	2021	25,758	27,680
(vi) Jamaica National Building Society.	J$	10.50	2024	20,369	20,369
(vii) Jamaica National Building Society.	J$	10.50	2024	25,000	25,000
(viii Commercial Notes	J$	10.85	2016	596,942	591,699
(ix) Commercial Notes	J$	9.75	2015	-	747,060
(x) Commercial Notes	J$	8.29/9.39	2017	1,142,659	1,138,023
(xi) Investment Bonds	J$	10.85	2022	2,955,239	-
(xii) Bank of Nova Scotia Jamaica Ltd	J$	9.50	2017	1,400	-
(xiii) International Finance Corporation	US$	6.59	2019	-	358,315
(xiv) International Finance Corporation	US$	4.36	2019	-	1,097,301
(xv) Commercial Note	US$	6.25	2016	60,208	114,661
(xvi) Merrill Lynch International Bank Ltd	US$	2.00	2015	-	49,756
(xvii) UBS Switzerland AG	US$	2.55	2016	55,035	-
Unsecured -					
(xviii) JN Properties Limited	J$	Variable	No fixed date	13,586	13,586
(xix) Bank of Nova Scotia Jamaica Ltd	J$	9.50	2015	-	38,241
(xx) Bank of Nova Scotia Jamaica Ltd	J$	9.30	2016	17,805	-
				4,955,438	4,279,650
Interest payable				225,307	144,897
				5,180,745	4,424,547

Notes to the Financial Statements

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(expressed in Jamaican dollars unless otherwise indicated)

24. Loan Liabilities (Continued)

	Currency	Rate	Repayable	The Company 2015	The Company 2014
		%		$'000	$'000
Secured -					
(viii) Commercial Notes	J$	10.85	2016	596,942	591,699
(ix) Commercial Notes	J$	9.75	2015	-	747,060
(x) Commercial Notes	J$	8.29/9.39	2017	1,142,659	1,138,023
(xi) Investment Bonds	J$	10.85	2022	2,955,239	-
(xiv) International Finance Corporation	US$	4.36	2019	-	1,097,301
				4,694,840	3,574,083
Interest payable				223,709	131,872
				4,918,549	3,705,955

The current portion of loan liabilities amounted to $981,537,000 (2014 - $1,353,732,000) for the group and $600,000,000 (2014 - $1,108,332,000) for the company.

Commercial Notes are shown net of transaction costs, which are amortised over the life of the notes. Total transaction costs amounted to $96,378,000, (2014 - $48,784,000) and the unamortised portion at 31 December 2015 was $55,160,000 (2014 - $23,218,000).

(i) This loan was issued by CIBC FirstCaribbean International Bank Limited (FCIB) to assist with the extension of the multi-storey parking garage, construction of a well and other building upgrades. Interest on this loan is charged at FCIB's base rate less 6.35%. The loan is secured by a first mortgage over commercial lots 195 – 198 (inclusive) located at Grenada Crescent, New Kingston. The loan is scheduled to be repaid by 2017, but is repayable on demand, should such a request be made by the bank.

(ii) This loan was issued by CIBC FirstCaribbean International Bank Limited (FCIB) to assist with elevator equipment upgrade. Interest on this loan is charged at FCIB's base rate less 6.35%. The loan is secured by a first mortgage over commercial lots 187 – 194 (inclusive) located at Grenada Crescent, New Kingston and lots 238 – 245 (inclusive) located at 31 – 37 Barbados Avenue, New Kingston. The loan is scheduled to be repaid by 2020, but is repayable on demand, should such a request be made by the bank.

(iii) This represents the outstanding balance on a J$9,700,000 loan issued by Sagicor Bank Jamaica Limited. Interest is charged at a rate of 13.25% per annum. The loan is secured by motor vehicles and is scheduled to be repaid by 2016.

(iv) This represents the outstanding balance on a J$2,900,000 loan issued by Sagicor Bank Jamaica Limited. Interest is charged at a rate of 10.50% per annum. The loan is secured by a motor vehicle and is scheduled to be repaid by 2018.

Notes to the Financial Statements

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24. Loan Liabilities (Continued)

(v) This represents a loan from Development Bank of Jamaica through Sagicor Bank Jamaica Limited, for the purchase and installation of solar panels. Interest is charged a rate of 8% per annum. Principal will be repaid in 72 monthly instalments from August 2015.

(vi) This represents the first drawdown on a J$67,000,000 mortgage loan facility from Jamaica National Building Society, to assist with renovations to the building located at 23 – 27 Knutsford Boulevard. Interest is charged at a rate of 10.50% per annum. The loan is secured by a first mortgage over lot # 44 located at St Lucia Way, 23 – 27 Knutsford Boulevard and is scheduled to be repaid by 2024

(vii) This represents the second drawdown on a J$67,000,000 mortgage loan facility from Jamaica National Building Society, to assist with the purchase of lots # 42 and 43 New Kingston. The loan is secured by a first mortgage over lot # 44 located at St Lucia Way, 23 – 27 Knutsford Boulevard and is scheduled to be repaid by 2024.

(viii) This represents the carrying value of certain secured notes issued by the group and company in 2014 with a face value of $600,000,000, net of issue costs. The notes mature on July 23, 2016, bear interest at a fixed rate of 10.85% per annum, and are secured by certain Sagicor Group Jamaica Limited shares owned by the group.

(ix) This represented the carrying value of certain secured notes issued by the group and company in 2012 with a face value of $750,000,000, net of issue costs. The notes matured and were retired on July 23, 2015.

(x) This represents the carrying value of certain secured notes issued by the group and company in 2012 with a face value of $1,150,000,000, net of issue costs. Interest was fixed for the first six months at 8.75% per annum, following which the rate is 2.25% above the weighted average yield of the six month Government of Jamaica Treasury Bill issued in the month prior to interest payment. At December 31, 2015 the interest rate was 8.29%. The notes are secured by certain Sagicor Group Jamaica Limited shares owned by the group. Of the total notes issued, $200,000,000 was issued to a related party.

(xi) This represents the carrying value of certain secured investment bonds issued by the group and company in 2015 with a face value of $3,000,000,000, net of issue costs. Interest is fixed to August 13, 2017 at 10.85% per annum, following which the rate is 2.50% above the weighted average yield of the six month Government of Jamaica Treasury Bill prevailing at each re-pricing date. The notes are secured by certain Sagicor Group Jamaica Limited shares owned by the group. Of the total bonds issued, $250,000,000 was issued to a related party.

(xii) This represents a loan issued by Bank of Nova Scotia Jamaica Limited. Interest is charged at a rate of 9.50% per annum and is secured a by motor vehicle. The loan is scheduled to be repaid by 2017.

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24. Loan Liabilities (Continued)

(xiii) This balance represented the first drawdown on a US$17,500,000 loan facility from the International Finance Corporation (IFC), in the amount of US$5,000,000.00. Interest was fixed at 6.59% per annum. The balance was repaid July 2015.

(xiv) This balance represented the second and final drawdown on a US$17,500,000 loan facility from the IFC, in the amount of US$12,500,000. Interest was fixed at 4.36%. The balance was repaid July 2015.

(xv) This represents the balance on a US$1,500,000 commercial note issued by a subsidiary to assist with the purchase of real estate, bearing interest at a rate of 6.25% per annum. Final payment on this note is scheduled for February 2016.

(xvi) This represented a US$436,000 margin loan from Merrill Lynch International Bank Limited. Interest was charged at a rate of 2% per annum. The loan was repaid in 2015.

(xvii) This represents a US$460,000 margin loan from UBS. Interest is charged at a rate of 2.55% per annum. The loan is secured by investment securites valued at US$800,000 and is scheduled for repayment in 2016.

(xviii) This represents a loan advanced by J.N. Properties Limited. The debt is unsecured, attracts interest at a variable rate and has no fixed repayment terms.

(xix) This represented the balance on a J$100,000,000 unsecured loan from Bank of Nova Scotia Jamaica Limited to finance insurance premiums. Interest is charged at an effective rate of 9.50% per annum. The balance was repaid in 2015.

(xx) This represents the balance on a J$78,000,000,000 unsecured loan from Bank of Nova Scotia Jamaica Limited to finance insurance premiums. Interest is charged at an effective rate of 9.30% per annum. The balance is payable in 2016.

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31 December 2015

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25. Finance Lease Liabilities

The finance lease obligations are as follows:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Minimum lease payments under finance leases:				
Not later than 1 year	7,506	7,663	1,200	1,200
Later than 1 year and not later than 5 years	5,216	5,573	900	2,100
	12,722	13,236	2,100	3,300
Future finance charges	(1,276)	(1,424)	(104)	(495)
Present value of finance lease obligations	11,446	11,812	1,996	2,805

The present value of the lease obligations is as follows:

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Not later than 1 year	6,435	6,346	1,091	887
Later than 1 year and not later than 5 years	5,011	5,466	905	1918
	11,446	11,812	1,996	2,805

The leases are secured by certain motor vehicles owned by the group.

26. Other Liabilities

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Promissory note – managed funds	-	28,144	-	28,144
Other liabilities and accrued expenses	329,146	222,854	62,565	33,403
Trade payables	21,763	26,212	-	-
Accounts payable	28,008	26,586	28,008	26,586
	378,917	303,796	90,573	88,133

The current portion of other liabilities amounted to $364,787,000 (2014 - $290,098,000) for the group and $90,573,000 (2014 - $88,133,000) for the company.

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27. Share Capital

	2015	2014
	No.	No.
	'000	'000
Authorised share capital of no par value -		
Ordinary shares	250,000	250,000
	$'000	$'000
Issued and fully paid -		
213,231,978 stock units	2,141,985	2,141,985

28. Stock Grants and Options/Equity Compensation Reserve

The company operates a Long Term Incentive Plan ("LTIP") administered by a committee of the company's Board of Directors. The company has reserved 7.5% of its authorized share capital for issue under the plan.

Under the LTIP, certain executive officers of the group are eligible to receive awards of a combination of company stock grants and stock options, once a predetermined company performance objective is met. The awards are made annually in May, and vest in four equal annual installments beginning with the first December 31 (for options) and April 30 (for grants) following the date of award. Vesting in both stock grants and stock options awarded under the plan is dependent on time-based, company and individual performance criteria. Vested options are exercisable for 7 years from the date of award. Awards of grants and options are formula-based dependent on the percentage of each awardee's base compensation at the date of award subject to the LTIP, and the fair value of stock options and stock grants awarded. The fair value of stock grants, and the exercise price and fair value of stock options, are set based on the closing bid price of the company's stock on the last trading day in March of the year in which the award is made.

Shares issued when stock grants are vested and when stock options are exercised have the same rights as other issued common shares.

During the year, grants of 296,935 (2014 – 267,584) shares of company stock were awarded under the plan to 4 (2014 – 3) executives, and 168,469 (2014 – 101,574) shares became fully vested and were issued.

Notes to the Financial Statements

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28. Stock Grants and Options/Equity Compensation Reserve (Continued)

At December 31, 2015, options over 3,190,753 (2014 – 2,087,021) shares were outstanding, 1,776,014 (2014 – 978,326) of which were vested and exercisable, at the prices per share as follows:

Expiring December 31	Outstanding	Vested	Exercise Price
2019	497,029	497,029	$58.00
2020	832,224	624,168	$55.97
2021	757,768	378,884	$49.05
2022	1,103,732	275,933	$57.02
	3,190,753	1,776,014	

No options expired or were exercised or forfeited during the year.

The company uses the Black-Scholes option pricing model for determining the fair value of stock options awarded, which is expensed over the vesting period. The range of values of stock options awarded as at December 31, 2015, as determined using this model, was $15.02 to $21.35(2014 - $15.02 to $21.35). The significant inputs into the model were as follows:

Exercise price (range in $ per share)	$49.05 - $58.00 (2014 - $49.05 - $58.00)
Annual risk free rate	7.8% - 8.9%
Volatility factor	27.9% - 35.7%
Expected dividend yield	2.3% - 5.3%
Expected life (in years)	4.75 – 7.00

Share-based compensation expense is recognised over the vesting period of each award, and is based on the total fair value of all awards expected to vest. The group and the company recognised share-based compensation in 2015 of $24,900,000 and $12,900,000 (2014 - $16,698,000 and $8,241,000), respectively. To satisfy its obligations in relation to the stock grants of $9,771,000 (2014 - $5,005,000) for the group and $4,833,000 (2014 - $2,459,000) for the company, the group issued shares from its holdings of treasury shares, with a cost of $9,966,000 (2014 - $7,212,000).

29. Property Revaluation Reserve

The balance represents the accumulated revaluation gains on investment properties attributable to owners of the parent, transferred from retained earnings.

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(expressed in Jamaican dollars unless otherwise indicated)

30. Investment and Other Reserves

These comprise:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Fair value gains on investments	120,249	174,735	80,453	76,869
Capital reserves	2,615,171	2,610,508	1,337,983	1,337,983
Capital redemption reserves	2,176	2,176	2,200	2,200
Share of other comprehensive income of associated companies	(857,714)	1,138,602	-	-
	1,879,882	3,926,021	1,420,636	1,417,052
Capital reserves				
Realised gain on sale of ESPP shares	96,012	97,466	-	-
Realised gain on sale of insurance operations	1,161,344	1,161,344	2,688,484	2,688,484
Realised gain on dilution of holding in subsidiaries and associates	433,516	433,516	-	-
Reserve arising on acquisition of non –controlling interest	623,267	623,267	(1,493,255)	(1,493,255)
Other	301,032	294,915	142,754	142,754
	2,615,171	2,610,508	1,337,983	1,337,983

Fair value gains on investments for the group are shown net of deferred taxes of $1,588,000 (2014 – $64,000) with respect to revaluation adjustments to investments.

Notes to the Financial Statements

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31. Dividends

	2015	2014
	$'000	$'000
First interim dividend for 2015 at $0.70 (2014 - $0.60) per stock unit - gross	149,262	127,939
Second interim dividend for 2015 at $0.70 (2014 - $0.60) per stock unit – gross	149,262	127,939
Third interim dividend for 2015 at $0.70 (2014 - $0.70) per stock unit – gross	149,263	149,263
Fourth interim dividend for 2015 at $0.75 (2014 - $0.75) per stock unit - gross	159,924	159,924
	607,711	565,065
Less: Dividends on treasury stock	(9,768)	(9,063)
	597,943	556,002

On 29 February 2016, the company declared a dividend of $0.75 per stock unit, amounting to $159,924,000 for which there is no accrual in the 2015 financial statements. On 26 February 2015, the company declared a dividend of $0.70 per share, amounting to $149,262,000 for which there was no accrual in the 2014 financial statements.

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32. Cash Flows from Operating Activities

	The Group		The Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Net profit	3,253,893	2,853,979	625,319	531,201
Adjustments to reconcile net profit to cash flows provided by operating activities:				
Depreciation of property, plant and equipment	30,087	26,481	4,781	4,544
(Gain)/loss on sale of property, plant and Equipment	-	(1,075)	-	-
Stock compensation expense	24,900	16,698	12,900	8,241
Interest income	(93,054)	(118,468)	(184,036)	(144,578)
Finance costs	496,422	506,646	443,640	422,808
Share of results of associated companies	(3,192,256)	(2,732,864)	-	-
Share of results of joint venture	(34,230)	39,606	-	-
Income tax expense/(credit)	50,614	90,723	(16,340)	(11,311)
Bad debts	9,741	10,612	-	-
Change in retirement benefit asset/obligation	145,768	37,958	15,928	(1,263)
Fair value gains on investment properties	(228,995)	(202,113)	-	-
Gains on foreign currency denominated investments	(26,174)	(116,935)	(66,624)	(120,003)
Impairment of investment assets	39,117	68,937	18,969	68,937
Unrealised loss on financial assets at fair value through profit and loss	51,697	54,677	12,918	-
	527,530	534,862	875,536	758,576
Changes in operating assets and liabilities:				
Taxation recoverable	(7,727)	6,937	(6,348)	15,689
Other assets, net	(133,389)	(122,541)	11,987	(5,879)
Other liabilities, net	75,121	19,767	2,442	15,955
	461,535	439,025	875,536	784,341
Interest received	88,910	98,987	122,555	142,941
Income tax paid	(91,212)	(84,173)	(1,054)	(3,930)
Net cash provided by operating activities	459,233	453,839	997,037	923,352

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33. Commitments

Operating lease commitments – where the group/company is the lessor:

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Not later than 1 year	510,852	551,293	-	-
Later than 1 year and not later than 5 years	1,041,391	1,362,170	-	-
Later than 5 years	93,669	556,776	-	-
	1,645,912	2,470,239	-	-

34. Financial Risk Management

The group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by the Investment Committee, which identifies, evaluates and manages financial risks in close co-operation with the group's operating business units. The Board of Directors sets guidelines for overall risk management including specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investing excess liquidity.

In February 2014, the group and company participated in the National Debt Exchange (NDX) transaction under which the group and company exchanged their holdings of domestic debt instruments issued by the Government of Jamaica for new, longer-dated debt instruments available under the election options contained in the agreement. The NDX transaction resulted in a reduction in yields and an increase in the tenor of locally issued Government of Jamaica securities. The NDX did not have a significant impact on financial risks of entities which hold such instruments.

(a) Market risk

The group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates, interest rates, political risk and economic risk. Market risk is monitored by the group treasury function which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis.

There has been no change to the group's exposure to market risks or the manner in which it manages and measures the risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States (US), Canadian (CAD) and Barbadian (BD) dollars. Foreign exchange risk arises from transactions for purchases and recognised assets and liabilities.

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34. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The group further manages this risk by maximizing foreign currency earnings and holding foreign currency balances. In the prior year, the group also used hedge accounting to manage its foreign currency risk associated with certain of its foreign currency denominated AFS equity instruments.

Concentration of currency risk

The table below summarises the currencies in which the group's and company's financial assets and liabilities are denominated at 31 December:

	The Group				
	2015				
	Jamaican $	US$	CAD$	BD$	Total
	J$'000	J$'000	J$'000	J$'000	J$'000
Financial assets					
Cash and bank balances	93,183	20,346	6,594	-	120,123
Deposits	2,342	79,102	199,860	-	281,304
Investment securities	398,140	1,605,501	-	136,055	2,139,696
Securities purchased under agreements to resell	81,543	472,357	-	-	553,900
Trade and other receivables	224,051	156,646	109,936	-	490,633
Total financial assets	799,259	2,333,952	316,390	136,055	3,585,656
Financial liabilities					
Bank overdraft	8,913	-	-	-	8,913
Loan liabilities	5,064,242	116,503	-	-	5,180,745
Finance lease liability	11,446	-	-	-	11,446
Other liabilities	216,624	162,293	-	-	378,917
Total financial liabilities	5,301,225	278,796	-	-	5,580,021
Net position	(4,501,966)	2,055,156	316,390	136,055	(1,994,365)

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34. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Group				
	2014				
	Jamaican $	US$	CAD$	BD$	Total
	J$'000	J$'000	J$'000	J$'000	J$'000
Financial assets					
Cash and bank balances	31,783	12,068	454	-	44,305
Deposits	2,447	83,013	119,224	-	204,684
Investment securities	358,564	1,383,069	261,521	124,749	2,127,903
Securities purchased under agreements to resell	47,780	413,520	-	-	461,300
Trade and other receivables	229,231	120,737	-	-	349,968
Total financial assets	669,805	2,012,407	381,199	124,749	3,188,160
Financial liabilities					
Bank overdraft	6,031	-	-	-	6,031
Loan liabilities	2,768,898	1,655,649	-	-	4,424,547
Finance lease liability	11,812	-	-	-	11,812
Other liabilities	185,841	117,955	-	-	303,796
Total financial liabilities	2,972,582	1,773,604	-	-	4,746,186
Net position	(2,302,777)	238,803	381,199	124,749	(1,558,026)

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34. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Company			
	2015			
	Jamaican $	US$	BD$	Total
	J$'000	J$'000	J$'000	J$'000
Financial assets				
Cash and bank balances	6,325	1,000	-	7,325
Deposits	-	27,455	-	27,455
Investment securities	421,668	840,037	136,055	1,397,760
Securities purchased under agreements to resell	73,885	220,495	-	294,380
Due from related parties	327,370	1,091,748	-	1,419,118
Receivables	32,131	-	-	32,131
Total financial assets	861,379	2,180,735	136,055	3,178,169
Financial liabilities				
Bank overdraft	8,913	-	-	8,913
Due to related parties	13,011	-	-	13,011
Loan liabilities	4,918,549	-	-	4,918,549
Finance lease liability	1,996	-	-	1,996
Other liabilities	90,573	-	-	90,573
Total financial liabilities	5,033,042	-	-	5,033,042
Net position	(4,171,663)	2,180,735	136,055	(1,854,873)

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(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Concentration of currency risk (continued)

	The Company			
	2014			
	Jamaican $	US$	BD$	Total
	J$'000	J$'000	J$'000	J$'000
Financial assets				
Cash and bank balances	130	1,386	-	1,516
Deposits	-	62,703	-	62,703
Investment securities	416,292	814,434	124,749	1,355,475
Securities purchased under agreements to resell	21,591	43,738	-	65,329
Due from related parties	22,654	528,939	-	551,593
Receivables	43,814	-	-	43,814
Total financial assets	504,481	1,451,200	124,749	2,080,430
Financial liabilities				
Bank overdraft	6,031	-	-	6,031
Due to related parties	31,931	41,587	-	73,518
Loan liabilities	2,586,062	1,119,893	-	3,705,955
Finance lease liability	2,805	-	-	2,805
Other liabilities	88,133	-	-	88,133
Total financial liabilities	2,714,962	1,161,480	-	3,876,442
Net position	(2,210,481)	289,720	124,749	(1,796,012)

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31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

Foreign currency sensitivity

The following tables indicate the currencies to which the group and company had significant exposure on their monetary assets and liabilities and their forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency-denominated financial instruments and adjusts their translation at the year-end for a 8% increase and 1% decrease (2014 - 10% increase and 1% decrease) in foreign currency rates. The sensitivity of the profit was as a result of foreign exchange (gains)/losses on translation of US dollar-denominated monetary financial securities classified as available for sale and fair value through profit and loss and foreign exchange (losses)/gains on translation of US dollar-denominated borrowings. The sensitivity of the profit or loss also considered the foreign exchange gains/ (losses) on certain available-for-sale equity instruments which were part of the previously discussed hedging relationship. The sensitivity of other components of equity was as result of translation gains/ (losses) on the other foreign currency denominated equities classified as available-for-sale, which were not a part of the hedging relationship.

	The Group					
	% Change in Currency Rate 2015	Effect on Profit before Tax 2015 $'000	Effect on other Components of Equity 2015 $'000	% Change in Currency Rate 2014	Effect on Profit before Tax 2014 $'000	Effect on other Components of Equity 2014 $'000
Currency:						
USD	8%	97,641	66,772	10%	11,096	12,784
USD	-1%	(12,205)	(8,346)	-1%	(1,110)	(1,278)
BD	8%	-	10,884	10%	12,475	-
BD	-1%	-	(1,361)	-1%	(1,247)	-
CAD	8%	25,311	-	10%	11,968	26,152
CAD	-1%	(3,164)	-	-1%	(1,197)	(2,615)

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	The Company					
	% Change in Currency Rate 2015	Effect on Profit before Tax 2015 $'000	Effect on other Components of Equity 2015 $'000	% Change in Currency Rate 2014	Effect on Profit before Tax 2014 $'000	Effect on other Components of Equity 2014 $'000
Currency:						
USD	8%	132,724	41,735	10%	21,240	7,732
USD	-1%	(16,590)	(5,217)	-1%	(2,124)	(773)
BD	8%	-	10,884	10%	12,475	-
BD	-1%	-	(1,361)	-1%	(1,247)	-

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the group and company to cash flow interest risk, whereas fixed interest rate instruments expose the group to fair value interest risk.

The group's and company's interest rate risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

The following tables summarise the group's and the company's exposure to interest rate risk. It includes the group and company financial instruments at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2015:							
Financial assets							
Cash and bank balances	112,890	-	-	-	-	7,233	120,123
Deposits	278,962	-	-	-	2,342	-	281,304
Investment securities	260,977	1,234	-	186,655	457,183	1,233,647	2,139,696
Securities purchased under agreements to resell	424,054	129,846	-	-	-	-	553,900
Trade and other receivables	2,818	-	109,936	-	-	377,879	490,633
Total financial assets	1,079,701	131,080	109,936	186,655	459,525	1,618,759	3,585,656
Financial liabilities							
Bank overdraft	8,913	-	-	-	-	-	8,913
Loan liabilities	1,463,902	78,549	596,942	2,982,396	58,956	-	5,180,745
Finance lease liability	-	-	1,955	9,491	-	-	11,446
Other liabilities	2,820	-	-	-	-	376,097	378,917
Total financial liabilities	1,475,635	78,549	598,897	2,991,887	58,956	376,097	5,580,021
Total interest repricing gap	(395,934)	52,531	(488,961)	(2,805,232)	400,569	1,242,662	(1,994,365)
Cumulative interest repricing gap	(395,934)	(343,403)	(832,364)	(3,637,596)	(3,237,027)	(1,994,365)	

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2014:							
Financial assets							
Cash and bank balances	44,305	-	-	-	-	-	44,305
Deposits	83,013	119,224	2,447	-	-	-	204,684
Investment securities	253,224	-	-	175,249	397,656	1,301,774	2,127,903
Securities purchased under agreements to resell	451,694	8,140	1,332	134	-	-	461,300
Trade and other receivables	28,144	-	-	-	-	321,824	349,968
Total financial assets	860,380	127,364	3,779	175,383	397,656	1,623,598	3,188,160
Financial liabilities							
Bank overdraft	6,031	-	-	-	-	-	6,031
Loan liabilities	1,390,633	-	747,060	2,227,898	58,956	-	4,424,547
Finance lease liability	289	-	-	11,523	-	-	11,812
Other liabilities	28,144	-	-	-	-	275,652	303,796
Total financial liabilities	1,425,097	-	747,060	2,239,421	58,956	275,652	4,746,188
Total interest repricing gap	(564,717)	127,364	(743,281)	(2,064,038)	338,700	1,347,946	(1,558,026)
Cumulative interest repricing gap	(564,717)	(437,353)	(1,180,634)	(3,244,672)	(2,905,972)	(1,558,026)	

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month $'000	1 to 3 Months $'000	3 to 12 Months $'000	1 to 5 Years $'000	Over 5 Years $'000	Non-Interest Bearing $'000	Total $'000
At 31 December 2015:							
Financial assets							
Cash and bank balances	7,325	-	-	-	-	-	7,325
Deposits	27,455	-	-	-	-	-	27,455
Investment securities	126,037	-	-	344,966	162,524	764,233	1,397,760
Securities purchased under agreements to resell	206,377	88,003	-	-	-	-	294,380
Due from related parties	-	-	-	1,207,965	145,081	66,072	1,419,118
Receivables	2,818	-	-	-	-	29,313	32,131
Total financial assets	370,012	88,003	-	1,552,931	307,605	859,618	3,178,169
Financial liabilities							
Bank overdraft	8,913	-	-	-	-	-	8,913
Due to related parties	-	-	-	-	-	13,011	13,011
Loan liabilities	1,366,368	-	596,942	2,955,239	-	-	4,918,549
Finance lease liabilities	-	-	-	1,996	-	-	1,996
Other liabilities	2,820	-	-	-	-	87,753	90,573
Total financial liabilities	1,378,101	-	596,942	2,957,235	-	100,764	5,033,042
Total interest repricing gap	(1,008,089)	88,003	(596,942)	(1,404,304)	307,605	758,854	(1,854,873)
Cumulative interest repricing gap	(1,008,089)	(920,086)	(1,517,028)	(2,921,332)	(2,613,727)	(1,854,873)	

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

	The Company						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	Non-Interest Bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 31 December 2014:							
Financial assets							
Cash and bank balances	1,516	-	-	-	-	-	1,516
Deposits	62,703	-	-	-	-	-	62,703
Investment securities	118,284	-	-	349,366	165,644	722,181	1,355,475
Securities purchased under agreements to resell	64,434	272	623	-	-	-	65,329
Due from related parties	-	-	-	528,939	-	22,654	551,593
Receivables	28,144	-	-	-	-	15,670	43,814
Total financial assets	275,081	272	623	878,305	165,644	760,505	2,080,430
Financial liabilities							
Bank overdraft	6,031	-	-	-	-	-	6,031
Due to related parties	-	-	37,659	-	-	35,859	73,518
Loan liabilities	1,269,895	-	747,060	1,689,000	-	-	3,705,955
Finance lease liabilities	-	-	-	2,805	-	-	2,805
Other liabilities	28,144	-	-	-	-	59,989	88,133
Total financial liabilities	1,304,070	-	784,719	1,691,805	-	95,848	3,876,442
Total interest repricing gap	(1,028,989)	272	(784,096)	(813,500)	165,644	664,657	(1,796,012)
Cumulative interest repricing gap	(1,028,989)	(1,028,717)	(1,812,813)	(2,626,313)	(2,460,669)	(1,796,012)	

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate sensitivity

The following tables indicate the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, on the group's and company's income statement and stockholders' equity.

The group's and company's interest rate risk arises from investment securities, securities purchased under agreements to resell and long term borrowings. The sensitivity of the income statement is the effect of the assumed changes in interest rates on net income based on floating rate financial assets and floating rate liabilities. The sensitivity of other components of equity is calculated by revaluing fixed rate available-for-sale financial assets for the effects of the assumed changes in interest rates.

		The Group		The Company	
		Effect on Profit before Taxation 2015 $'000	Effect on Other Components of Equity 2015 $'000	Effect on Profit before Taxation 2015 $'000	Effect on Other Components of Equity 2015 $'000
Change in basis points:					
2015	**2015**				
JA$	US$				
+100	+100	(5,247)	(6,609)	(7,413)	(5,348)
-150	-50	12,576	4,005	13,321	2,835

		The Group		The Company	
		Effect on Profit before Taxation 2014 $'000	Effect on Other Components of Equity 2014 $'000	Effect on Profit before Taxation 2014 $'000	Effect on Other Components of Equity 2014 $'000
Change in basis points:					
2014	**2014**				
JA$	US$				
+250	+200	(20,742)	(15,711)	(27,339)	(11,657)
-100	-50	9,537	4,568	11,066	3,137

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(a) Market risk (continued)

(iii) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The group and company are exposed to equity price risk because of investments held by the group and company classified on the respective statements of financial position either as available-for-sale or at fair value through profit or loss. The group manages its price risk by trading these instruments when appropriate to reduce the impact of any adverse price fluctuations.

The impact on total stockholders' equity (before tax) of a 20% (2014 -10%) increase/decrease in equity prices is an increase/decrease of $246,730,000 and $135,008,000 (2014 – $130,178,000 and $72,218,000) for the group and company respectively.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The group and company have policies in place to ensure that property rentals and services are made to customers with an appropriate credit history. Cash transactions are limited to high credit quality financial institutions. The group manages its credit risk by screening its customers, establishing credit limits, obtaining bankers' guarantees or collateral for loans where applicable, the rigorous follow-up of receivables and ensuring investments are low-risk or, are held with sound financial institutions.

(i) Trade receivables

Trade receivables relate mainly to tenants of the group's commercial properties. Receivables are monitored and followed up on a regular basis and provisions made as deemed necessary based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

(ii) Investments

The group limits its exposure to credit risk by investing mainly in liquid securities, with counterparties that have high credit quality and Government of Jamaica securities. Accordingly, management does not expect any counterparty to fail to meet its obligations.

(iii) Guarantees

The group's policy is not to provide financial guarantees to any other party than wholly-owned subsidiaries.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(b) Credit risk (continued)

Maximum exposure to credit risk

	Maximum exposure			
	The Group		Company	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Credit risk exposures relating to on statement of financial position items are as follows:				
Assets:				
Cash and bank balances	120,123	44,305	7,325	1,516
Deposits	281,304	204,684	27,455	62,703
Financial assets at fair value through profit and loss	98,152	123,851	-	-
Available-for-sale securities	421,752	449,052	181,483	191,645
Loans and receivables	386,145	253,223	541,237	441,649
Securities purchased under agreements to resell	553,900	461,300	294,380	65,329
Trade and other receivables	490,633	349,968	32,131	43,814
Due from related parties	-	-	1,419,118	551,593
	2,352,009	1,886,383	2,503,129	1,358,249
Credit risk exposures relating to assets not recorded on the statement of financial position				
Lease commitments	1,645,912	2,470,239	-	-

The above table represents a worst case scenario of credit risk exposure to the group and company at 31 December 2015 and 2014, without taking account of any collateral held or other credit enhancements. For assets carried on the statement of financial position, the exposures set out above are based on net carrying amounts as reported in the statement of financial position. An impairment loss was recognised for the year ended 31 December 2015 of $39,116,000 (2014 - $68,937,000) for the group and $18,969,000 (2014 - $68,937,000) for the company for certain investment securities.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(b) Credit risk (continued)

(i) Trade and managed properties receivables

The following table summarises the group's and company's credit exposure for trade receivables at their carrying amounts, as categorised by the customer sector:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Commercial	76,042	36,926	-	-
Retail	27,253	14,895	-	-
Managed properties	59,521	42,504	-	-
	162,816	94,325	-	-
Less: Provision for credit losses	(27,605)	(17,866)	-	-
	135,211	76,459	-	-

Credit quality of trade receivables are summarised as follows:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Neither past due nor impaired -				
Standard	85,146	63,386	-	-
Past due but not impaired	50,065	13,073	-	-
Impaired	27,605	17,866	-	-
Gross	162,816	94,325	-	-
Less: Provision for credit losses	(27,605)	(17,866)	-	-
Net	135,211	76,459	-	-

All trade receivables are receivable from customers in Jamaica.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(b) Credit risk (continued)

(ii) Aging analysis of past due but not impaired trade receivables:

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
31 to 60 days	27,283	2,304	-	-
61 to 90 days	-	1,152	-	-
Over 90 days	22,782	9,617	-	-
	50,065	13,073	-	-

The amounts above include managed properties fees receivables of $15,436,000 (2014 - $27,093,000) (Note 19). There are no financial assets other than trade receivables that are past due.

(iii) Investments

The following table summarises the credit exposure of the group and company to businesses and government by sectors in respect of investments (excluding equities, investments in subsidiaries and associated companies and related parties debt):

	The Group		The Company	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Government of Jamaica	84,468	85,666	5,838	5,896
Corporate and other government	1,279,015	1,153,221	505,855	313,781
	1,363,483	1,238,887	511,693	319,677

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31 December 2015

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34. Financial Risk Management (Continued)

(c) Liquidity risk

Liquidity risk is the risk that the group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process

The group's liquidity management process, as carried out within the group and monitored by the Investment Committee, includes:

(i) Monitoring future cash flows and liquidity on a weekly basis. This incorporates an assessment of expected cash flows and the availability of high grade collateral which could be used to secure funding if required;

(ii) Maintaining a portfolio of highly marketable and diverse assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;

(iii) Maintaining committed lines of credit;

(iv) Optimising cash returns on investment; and

(v) Managing the concentration and profile of debt maturities.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the group. It is unusual for companies ever to be completely matched since business transacted is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but can also increase the risk of loss.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the liquidity of the group and its exposure to changes in interest rates and exchange rates.

Notes to the Financial Statements

31 December 2015

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34. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows

The tables below summarise the maturity profile of the group's and company's financial assets and liabilities at 31 December based on contractual undiscounted payments.

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015							
Financial assets							
Cash and bank balances	120,123	-	-	-	-	-	120,123
Deposits	279,080	-	-	-	4,560	-	283,640
Investment securities	146,368	5,107	158,336	356,524	526,191	1,233,647	2,426,173
Securities purchased under agreements to resell	423,789	130,439	635	-	-	-	554,863
Trade and other receivables	144,034	236,677	115,433	-	-	-	496,144
Total financial assets (contractual maturity dates)	1,113,394	372,223	274,404	356,524	530,751	1,233,647	3,880,943
Financial liabilities							
Bank overdraft	8,915	-	-	-	-	-	8,915
Loans	148,855	267,717	870,724	2,649,935	3,706,499	-	7,643,730
Finance leases liability	709	1,412	5,378	5,225	-	-	12,724
Other liabilities	118,400	242,982	17,551	-	-	-	378,933
Total financial liabilities (contractual maturity dates)	276,879	512,111	893,653	2,655,160	3,706,499	-	8,044,302
Net Liquidity Gap	836,515	(139,888)	(619,249)	(2,298,636)	(3,175,748)	1,233,647	(4,163,359)
Cumulative Liquidity Gap	836,515	696,627	77,378	(2,221,258)	(5,397,006)	(4,163,359)	

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34. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Group						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2014							
Financial assets							
Cash and bank balances	44,308	-	-	-	-	-	44,308
Deposits	85,489	121,873	-	-	-	-	207,362
Investment securities	146,122	5,293	41,629	452,209	434,013	1,301,777	2,381,043
Securities purchased under agreements to resell	452,370	7,909	1363	139	-	-	461,781
Trade and other receivables	162,845	187,257	-	-	-	-	350,102
Total financial assets (contractual maturity dates)	891,134	322,332	42,992	452,348	434,013	1,301,777	3,444,596
Financial liabilities							
Bank overdraft	6,043	-	-	-	-	-	6,043
Loans	365,570	64,513	1,085,715	3,562,137	24,279	-	5,102,214
Finance leases liability	985	1,390	5,283	5,578	-	-	13,236
Other liabilities	138,473	138,884	26,586	-	-	-	303,943
Total financial liabilities (contractual maturity dates)	511,071	204,787	1,117,584	3,567,715	24,279	-	5,425,436
Net Liquidity Gap	380,063	117,545	(1,074,592)	(3,115,367)	409,734	1,301,777	(1,980,840)
Cumulative Liquidity Gap	380,063	497,608	(576,984)	(3,692,351)	(3,282,617)	(1,980,840)	

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Company						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2015:							
Assets							
Cash and bank balances	7,325	-	-	-	-	-	7,325
Deposits	27,455	-	-	-	-	-	27,455
Investment securities	15,191	12,125	188,460	714,176	262,610	675,040	1,867,602
Securities purchased under agreements to resell	206,263	88,368	635	-	-	-	295,266
Due from related parties	4,500	9,000	81,000	1,696,351	266,949	66,072	2,123,872
Receivables	2,833	29,313	-	-	-	-	32,146
Total financial assets (contractual maturity dates)	263,567	138,806	270,095	2,410,527	529,559	741,112	4,353,666
Liabilities							
Bank overdraft	8,915	-	-	-	-	-	8,915
Due to related parties	-	-	13,011	-	-	-	13,011
Loans	80,885	191,733	842,310	2,548,243	3,651,000	-	7,314,171
Finance lease liability	100	200	900	900	-	-	2,100
Other liabilities	20,386	52,652	17,551	-	-	-	90,589
Total financial liabilities (contractual maturity dates)	110,286	244,585	873,772	2,549,143	3,651,000	-	7,428,786
Net Liquidity Gap	153,281	(105,779)	(603,677)	(138,616)	(3,121,441)	741,112	(3,075,120)
Cumulative Liquidity Gap	153,281	47,502	(556,175)	(694,791)	(3,816,232)	(3,075,120)	

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34. Financial Risk Management (Continued)

(c) Liquidity risk (continued)

Financial assets and liabilities cash flows (continued)

	The Company						
	Within 1 Month	1 to 3 Months	3 to 12 Months	1 to 5 Years	Over 5 Years	No Specific Maturity	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 31 December 2014:							
Assets							
Cash and bank balances	1,516	-	-	-	-	-	1,516
Deposits	62,713	-	-	-	-	-	62,713
Investment securities	14,961	12,990	73,583	846,912	172,171	722,181	1,842,798
Securities purchased under agreements to resell	64,706	-	635	-	-	-	65,341
Due from related parties	-	-	167,090	460,186	-	22,649	649,925
Receivables	28,279	15,670	-	-	-	-	43,949
Total financial assets (contractual maturity dates)	172,175	28,660	241,308	1,307,098	172,171	744,830	2,666,242
Liabilities							
Bank overdraft	6,043	-	-	-	-	-	6,043
Due to related parties	-	-	41,368	-	-	34,035	75,403
Loans	264,754	-	1,009,822	3,022,513	-	-	4,297,089
Finance lease liability	100	200	900	2,100	-	-	3,300
Other liabilities	61,690	-	26,586	-	-	-	88,276
Total financial liabilities (contractual maturity dates)	332,587	200	1,078,676	3,024,613	-	34,035	4,470,111
Net Liquidity Gap	(160,412)	28,460	(837,368)	(1,717,515)	172,171	710,795	(1,803,869)
Cumulative Liquidity Gap	(160,412)	(131,952)	(969,320)	(2,686,835)	(2,514,664)	(1,803,869)	

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

34. Financial Risk Management (Continued)

(d) Capital management

The group's objectives when managing capital are to provide superior returns for stockholders and benefits for other stakeholders, while maintaining a conservative capital structure. The Board of Directors monitors the return on capital, which the group defines as net profit attributable to equity holders divided by total stockholders' equity, excluding non-controlling interest. The Board of Directors also monitors and approves the level of dividends to ordinary stockholders.

The group will from time to time purchase its own shares on the market for employee share option plans purposes, the timing of which depends on the prevailing market prices.

There were no changes to the group's approach to capital management during the year.

The company and its subsidiaries have no externally imposed capital requirements.

35. Fair Value of Financial Instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. For financial instruments where no market price is available, the fair values presented have been estimated using present value or other estimation and valuation techniques based on market conditions existing at statement of financial position dates.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(a) Cash and deposits, receivables, payables and related party balances reflect their approximate fair values due to the short term nature of these instruments;

(b) Investment securities classified as available-for-sale and financial assets at fair value through profit and loss are measured at fair value by reference to quoted market prices or valuation techniques such as a discounted cash flow model;

(c) The fair value of variable rate financial instruments is assumed to approximate their carrying amounts;

(d) The fair value of fixed rate loans is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans; and

(e) Equity securities for which fair values cannot be measured reliably are recognised at cost less impairment.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

35. Fair Value of Financial Instruments (Continued)

The following financial liabilities are not carried at fair value:

	The Group			
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
	2015	**2015**	**2014**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Financial Liabilities				
Loan liabilities	5,180,745	5,250,269	4,424,547	4,299,196
Finance lease liability	11,446	12,724	11,812	13,236

	The Company			
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
	2015	**2015**	**2014**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Loan liabilities	4,918,549	4,988,309	3,705,955	3,587,164
Finance lease liability	1,996	2,100	2,805	3,300

The fair value of financial liabilities is within level 2 of the fair value hierarchy. Balances for other financial assets and liabilities carried at amortised cost, approximates their fair value because of their short term nature.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

35. Fair Value of Financial Instruments (Continued)

The group follows the requirements of IFRS 7 for financial instruments that are carried on the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Quoted prices in active markets for identical assets or liabilities (level 1).
(b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's financial assets that are measured at fair value at 31 December: See Note 3(v) and 16 for disclosure of investment properties that are measured at fair value.

	The Group			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
As at 31 December 2015				
Financial assets				
Investment securities	561,609	519,905	672,038	1,753,552
As at 31 December 2014				
Financial assets				
Investment securities	640,129	572,904	661,647	1,874,680

	The Company			
	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
As at 31 December 2015				
Financial assets				
Investment securities	234,991	181,483	440,049	856,523
As at 31 December 2014				
Financial assets				
Investment securities	312,054	191,644	410,128	913,826

There were no transfers between levels during the year.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

35. Fair Value of Financial Instruments (Continued)

The following table shows the changes in Level 3 instruments for the year ended 31 December 2015

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	$'000	**$'000**	**$'000**	**$'000**
Balance at beginning of year	661,647	575,549	410,128	354,140
Additions	264,193	64,064	30,110	64,064
Settlements	(293,563)	(78,113)	(32,042)	(78,113)
Foreign exchange gains	8,811	22,675	8,811	22,675
Unrealised gains and losses recognised OCI	30,950	77,472	23,042	47,362
	672,038	661,647	440,049	410,128
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	8,811	22,675	8,811	22,675
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	8,811	22,675	8,811	22,675

The quoted market price used for financial assets held by the group is current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily equity investments classified as financial assets at fair value through profit and loss and available for sale.

The fair value of financial instruments that are not quoted on an exchange is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. Level 3 investments include investments in closed end real estate funds which are not publicly traded. To determine the carrying value for these investments management independently computes its share of the fair value of the net assets of the fund, by assessing the results of valuations and considering the fair values of cash and investment holdings as well as any debt obligations these funds may have. The real estate held by the funds are valued using an income approach which considers rental rates, rent multipliers, factors for vacancy and a capitalization rate. These capitalization factors and the rent multipliers are largely unobservable inputs that have the greatest potential for volatility and have resulted in the classification of the investments in level 3. The capitalization rates and rental multipliers used in the valuations range from 5.25% to 5.75% and 13.30 to 15.50 respectively.

Should the rent multipliers increase/decrease by 1, this would result in an increase/decrease in the carrying value of these respective investments, with all other factors remaining constant, of $30,115,000 (2014 -$29,978,000) for the company and the group. Should the capitalization factors increase/decrease by 1 percentage point, it would result in decrease/increase in the carrying value of the investments, with all other factors remaining constant, of $113,880,000 and $124,394,000 (2014 - $72,904,000 and $93,017,000) for the group only.

Notes to the Financial Statements

31 December 2015

(expressed in Jamaican dollars unless otherwise indicated)

35. Fair Value of Financial Instruments (Continued)

Specific valuation techniques used to value financial instruments include:

(i) Quoted market prices or dealer quotes for similar instruments
(ii) Other techniques, such as discounted cash flow analysis used to determine fair value for the remaining financial instruments.

36. Litigation and Contingent Liabilities

The company and its subsidiaries are subject to various claims, disputes and legal proceedings, as part of the normal course of business. Provision is made for such matters, when, in the opinion of management, it is probable that a payment will be made by the group, and the amount can be reasonably estimated.

In respect of claims asserted against the group which, according to the principles outlined above, have not been provided for, management is of the opinion that such claims are either without merit, can be successfully defended or will result in exposure to the group which is immaterial to both financial position and results of operations.

Disclosure of Stockholdings

as at 31 December 2015

Directors' and Connected Persons Stockholdings

Name	Personal	Connected Party
Christopher N. Barnes	Nil	Nil
Richard O. Byles	501,718	Nil
Stephen B. Facey	6,234,037	80,570,291
Paul A. B. Facey	3,582,626	83,221,162
Paul R. Hanworth	142,775	Nil
Kathleen A. J. Moss	10,000	Nil
Ian S. C. Parsard	10,000	Nil
Donovan H. Perkins	70,665	Nil
T. Mathew W. Pragnell	5,000	Nil

Stockholdings of Senior Management & Connected Persons

Name	Personal	Connected Party
Stephen B. Facey	6,234,037	80,570,291
Paul A. B. Facey	3,582,086	83,221,162
Paul R. Hanworth	142,775	Nil
Stephen G. Phillibert	10,000	Nil
Camelia M. Nelson	7,951	Nil
Claudette A. Ashman Ivey	2,649	Nil
Karen L. Vaz	Nil	Nil

Substantial Interest

	Stockholders	Stock Held	Ownership %
1	Boswell Investments Limited	69,072,280	32.39%
2	Sagicor Pooled Equity Fund	23,848,711	11.18%
3	National Insurance Fund	13,216,334	6.20%
4	Scotia Jamaica Investment Mgmt. A/c 3119	8,499,204	3.99%
5	Facey, Stephen and Wendy	6,234,037	2.92%
6	Guardian Life Limited	4,136,759	1.94%
7	Facey, Paul	3,582,626	1.68%
8	Cecil Boswell Facey Foundation	3,519,643	1.64%
9	NCB Insurance Co. Ltd. A/c WT109	3,407,531	1.60%
10	Pan-Jam/First Life Employees Inv. Trust	3,204,750	1.55%
Total Top Ten (10) Shareholdings		**138,721,875**	65.09%
Other Stockholdings		**74,510,103**	34.91%
			100.00%
Total Issued Shares		**213,231,978**	

Total no. of stockholders 3,910

Notes

Proxy Form

PAN-JAMAICAN
INVESTMENT TRUST LIMITED

I/We ____

of ____

being a Member(s) of PAN-JAMAICAN INVESTMENT TRUST LIMITED hereby appoint

____

of ____

or failing him/her

____

of ____

as my/our Proxy, to vote for me/us on my/our behalf at the Annual General Meeting of the said Company to be held on Thursday 26 May 2016 at 3:00 p.m. at **The Courtyard by Marriott Hotel, 1 Park Close, Kingston 5.**

SIGNED this ____________________ day of ____________________ 2016

Signature ____________________

(If executed by a Corporation, the Proxy should be sealed)

Resolutions	**For**	**Against**
1		
2		
3(i) a		
3(i) b		
4		
5		
6		

Place
$100
Stamp
Here

N.B. the instrument appointing proxy must be produced at the meeting or adjourned meeting at which it is to be used, and in default not to be treated as valid. The Proxy Form must be lodged at the Company's Registered Office not later than forty-eight hours before the meeting.

PAN-JAMAICAN
INVESTMENT TRUST LIMITED

PRODUCE OF JAMAICA
BUSHA BROWNE'S
"FRESH INGREDIENTS, ARTISAN QUALITY... JAMAICAN TRADITION PRESERVED."

Sagicor Group

CBF
C.B. FACEY
FOUNDATION

CHUKKA

JAMAICA PROPERTY
COMPANY LIMITED

HL

Knutsford Holdings Limited

BLUE MOUNTAIN
AROMATICS

JABLUM

MAVIS BANK
COFFEE FACTORY LIMITED

WALKERSWOOD

PAN-JAMAICAN
INVESTMENT TRUST LIMITED

THE PAN-JAM BUILDING
60 KNUTSFORD BOULEVARD, KINGSTON 5, JAMAICA, W.I.
TELEPHONE: (876) 929-4510 FACSIMILE: (876) 929-5766
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